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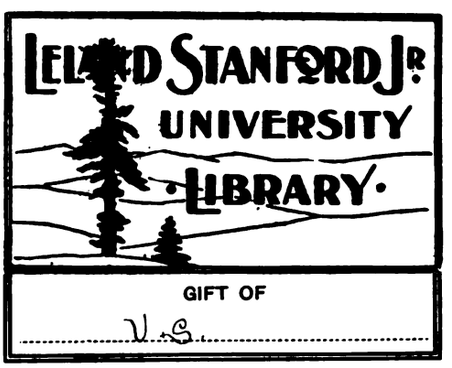

THE

NATIONAL LOANS OF THE UNITED STATES,

FROM

JULY 4, 1776, TO JUNE 30, 1880.

BY

RAFAEL A. BAYLEY,

U. S. — TREASURY DEPARTMENT.

[SECOND EDITION.]

[AS PREPARED FOR THE TENTH CENSUS OF THE UNITED STATES.]

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TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., August 6, 1881.

Hon. FRANCIS A. WALKER,
Superintendent of Census, Washington, D. C.

SIR: As requested in your letter of the 5th instant, I transmit herewith the information compiled under the supervision of Mr. R. A. Bayley, of this office, concerning the old loans of the government and other matters pertaining to the national debt, transmitted to me under date of the 1st instant.

Very respectfully,

W. WINDOM,
Secretary.

TREASURY DEPARTMENT,
WASHINGTON, D. C., *August* 1, 1881.

Hon. WM. WINDOM,
Secretary of the Treasury.

SIR: I have the honor to transmit herewith, for such disposition as you may deem proper, the manuscript notes prepared by me relative to the national loans of the United States from July 4, 1776, to June 30, 1880, showing the issues and redemptions of the several loans for each year, together with a brief historical *résumé* of the causes which led to their negotiation. I take great pleasure in acknowledging my indebtedness to Hon. J. K. Upton, assistant secretary of the treasury, Hon. James Gilfillan, treasurer of the United States, J. T. Power, esq., chief clerk, Mr. W. F. MacLennan, chief of the division of warrants, estimates, and appropriations, and James H. Saville, esq., formerly chief clerk of the Treasury Department, for encouragement and valuable assistance. The late David S. Green was my fellow-worker in the laborious searchings through documents, old and new, bringing to the work great intelligence, zeal, and industry. I trust that the information furnished in these sheets may be promotive of a more general knowledge of our fiscal history, and more especially of the early financial struggles of our government, and that, as a work of reference, the compilation may be useful to many persons in official life.

The fact that this work ends with the census year 1880, explains the absence of any reference to the financial operations of the government for the current year. These include a notable reduction of the annual interest charge on about six hundred millions of the bonded debt; a reduction effected practically without expense to the government or financial disturbance of any kind. The annual saving thus brought about is but one of the great results effected, and the transaction, taken as a whole, renders memorable the present administration of the Treasury Department.

The responsibility for any errors that may exist in this work must rest entirely upon me, but I think it proper to say that the statements have been most carefully verified, and it is believed that strict reliance may be placed upon them.

Very respectfully, your obedient servant,

RAFAEL A. BAYLEY.

THE NATIONAL LOANS OF THE UNITED STATES FROM JULY 4, 1776, TO JUNE 30, 1880.

PART I.—HISTORICAL.

FOREIGN SUBSIDIES.

The opening of the Revolutionary War excited deep interest in Europe, and especially in France, which power, once the possessor of two-thirds of North America, had been humbled by the seven years' warfare that closed with the treaty of Fontainebleau, under which France had been forced to surrender to Great Britain all her American possessions except a few unimportant islands. The French watched with interest the course of events that threatened in turn to strip their hereditary enemy of both her old and new possessions in America, and to build up on this side of the Atlantic a new power. The contest claimed the particular attention of the Comte de Vergennes, the French minister of exterior relations, who, though unwilling at first to conclude an armed alliance with the colonies, determined to assist them with money and munitions of war. The treaty followed, but the military supplies and money furnished early in the contest were of the utmost importance. These supplies were not furnished openly, because France was not in a position to commence war with Great Britain. Accordingly the celebrated Caron de Beaumarchais was employed as a secret agent. He was a brilliant French writer and courtier, a man of great vivacity and energy, but apparently with limited knowledge of mercantile affairs. As much sympathy has been expended on the memory of Beaumarchais, and his fate has been referred to as an illustration of the ingratitude of republics, an attempt will be made to bring to light, from the documents on record and from the works of his biographer and contemporary authorities, the facts in the case, with a view of showing the justice or injustice of the settlements between Beaumarchais and the United States. This question once divided Congress, and was the cause of much bitter feeling. It can now, however, be discussed, by the aid of documents then inaccessible, without prejudice. The charge made against the United States was a serious one, and involved the receiving of millions of dollars worth of supplies under a regular contract during the darkest hours of the Revolution, and then allowing the person furnishing these supplies to pass his last days in prison for the non-payment of the debt thus incurred.

Beaumarchais, at the commencement of the Revolution, had taken up the cause of the Americans with all the ardor of his nature, and rendered most important services in bringing the hesitating French ministry to adopt a decisive course of action. His services in this particular were greater, probably, than those of all our agents in Europe at the time. As early as September, 1775, he addressed a memorial to the king of France, in which he plead the cause of America with all the vigor of his pen. He followed this up with many others, addressed either to the king or the Comte de Vergennes. The gist of his arguments was that it would be impossible for Great Britain to subdue the colonies if they were assisted in their struggle; that if not assisted they might succumb, join the English, and turn their arms against France. He says: "We are not yet in a fit state for making war; we must prepare ourselves, keep up the contest, and with that view send secret assistance, in a prudent manner, to the Americans." These memorials seem to have decided the Comte de Vergennes to give the assistance, and to employ, as his agent, their author. Beaumarchais was sent to London in the spring of 1776 to make the necessary arrangements, there being then no American agent in France. In London he was introduced to Arthur Lee, who was at the time studying law in the Temple, but who bore some kind of commission from the secret committee of Congress. Beaumarchais informed him that the French government wished to send 200,000 louis-d'or (equal to $816,750), in arms, ammunition, and specie, for the assistance of the Americans, but in a secret manner, and that all they wanted was to know through what source it was best to make the remittances. He requested Mr. Lee to give the earliest intelligence of this to Congress, and to request that a small quantity of tobacco or some other production of America might be returned, to give it the air of a *mercantile transaction*.*

On Beaumarchais' return to Paris he made the acquaintance of Silas Deane, who arrived there about the first of July, 1776, with full powers as political and commercial agent for the United States in France. His instructions

* Pitkin's Civil and Political History of the United States, vol. i, p. 403. Letters of Lee and others, Report of Committee, No. 111, session 15th Congress.

were to obtain, if possible, 100 cannon with ammunition, also arms and uniforms for 25,000 men. These Beaumarchais contracted to furnish* *from the arsenals of France*, in addition to a large amount of other articles thought needful for the supply of the colonies. Deane, on his part, agreed that the United Colonies should pay for them by remittances of American produce, the business to be transacted by Beaumarchais, under the name of the Spanish firm of Roderigue, Hortales & Co. This contract, with its accompanying letters, appears on its face to be perfectly regular: an ordinary commercial contract, by which the United Colonies were to receive the supplies they needed, and to pay for the same within one year by shipments of produce to the imaginary firm of Roderigue, Hortales & Co. Had it been what it appears to be, the United Colonies would have been bound in common honesty not only to pay in full for the stores, but to pay dearly for the risks to which the contractor would be exposed. But there is evidence that both parties knew the contract as it stood to be but a sham, drawn up to mask the fact that it was the government of France which was to supply England's rebellious colonies. The contract was concluded about July 24, 1776. On the 15th of August, twenty-two days after it was signed, Deane wrote to the secret committee of Congress as follows:

I find Beaumarchais, as I before hinted, possesses the entire confidence of the ministry; he is a man of wit and genius, and a considerable writer on comic and political subjects. *All my supplies are to come through his hands*, which at first greatly discouraged my friends, knowing him to be a man of no interest with the merchants, but, had I been as doubtful as they, I could not have stepped aside from the path so cordially marked out for me by those I depend on. * * * *Everything he says, writes, or does is in reality the action of the ministry; for that a man should but a few months ago confine himself from his creditors, and now, on this occasion, be able to advance half a million, is so extraordinary that it ceases to be a mystery.*

The whole tenor of Deane's letter† shows that while he supposed the supplies were to be paid for as well as received through Beaumarchais, yet that, if a debt, it was a debt due to the government of France. On the part of Beaumarchais, he was not only aware that the French ministry had determined to assist the Americans, but when he signed the contract he had in his possession a million of livres drawn from the French treasury for the purpose of furnishing this assistance, and a few days afterward he received from the Spanish treasury, through the Comte de Vergennes, another million for the same purpose. As shipments went on and remittances came but slowly from America, he received a third million from the king of France. As the whole controversy between the United States and Beaumarchais turns upon the fact of these advances for the benefit of the colonies through him, it is necessary to show the evidence on this point.

On the 2d of May, 1776, the Comte de Vergennes submitted the subject to Louis XVI in the following note:‡

I have the honor of submitting to your majesty the paper which is to authorize me to *furnish a million of livres for the English colonies*, if you should deign to ratify it with your signature. I add, too, sire, the draft of the *reply* which I mean to make to M. Beaumarchais. if your majesty shall approve it; I beg it may be returned to me without delay. It shall not go forth in my handwriting nor in that of any of my clerks or secretaries. I will employ that of my son, which cannot be known, and, although he is in his fifteenth year, I can answer positively for his discretion. As it is of importance that this operation should not be *detected*, or at least not *imputed* to the *government*, I propose, if your majesty consents, to call hither the Sieur Montaudin; the ostensible motive will be to ask an account of his correspondence with the Americans, and the real one to charge him with the *transmission* of the *funds*, which your majesty is pleased to *grant them*, directing at the same time all the precautions to be taken *as if he advanced the funds on his own account.*

On this head also I take the liberty of requesting the orders of your majesty. That being done, I will write to the Marquis Grimald (secretary of foreign affairs in Spain). I will inform him of our operations and propose to him [*de la doubler*] to do the same.

The king immediately gave his minister the authority he asked for, and M. de Harvelay, keeper of the royal treasury, was directed to hold the million of livres subject to the particular order of Vergennes. The Sieur Montaudin was, however, not intrusted with the transmission of the funds, Beaumarchais being employed for that purpose, and the million was paid over to him. For it he gave the receipt of which the following is a translation of the original in the archives of France:§

I have received from Monsieur Duvergier, agreeably to the orders of the Comte de Vergennes, dated the 5th instant, which I had remitted to him, the sum of one million, of which I am to render an account to the said Comte de Vergennes.

Paris, June 10, 1776.

CARON DE BEAUMARCHAIS.

Good for one million livres Tournois.

The advance of this million was suspected by the authorities of the United States, and when Beaumarchais made his demands on them for a settlement, they attempted to obtain a statement of the fact from the French government; but it was a state secret, and a copy was refused. They were obliged to be content with a statement that a million was advanced on the 10th of June, 1776, before the Americans had any authorized agent in France. It was not until July 7, 1794, after the downfall of the French monarchy, when the republicans in power cared little for the secrets of the defunct government, that a copy was obtained by Gouverneur Morris, then minister of the United States in France. He wrote to M. Buchot, commissioner of exterior relations in France, as follows:

SIR: During the last war France furnished several sums of money to the United States of America, both under the head of loans and that of gratuities. The first of these advances was a million of livres, and it appears to have been made on the 10th of June, 1776. It is

* Beaumarchais and his Times, Loménie, vol. iii, p. 152. Loménie says 200 cannon.

† Appendix to Pitkin's History, vol. i, pp. 514–518.

‡ Pitkin's History, vol. i, p. 403.

§ Sparks' Life of Gouverneur Morris, vol. ii, p. 446, note. Loménie, vol. iii, p. 129.

entered among the gratuities, but it is not known to whom it was paid nor how it was appropriated. Doctor Franklin, in settling the accounts of the United States with the French ministry, neglected to ask for the papers which relate to this subject, and afterward, when the banker of the United States applied (in the months of August and September, 1786) to M. Durival, in order to obtain them, he assured him that he had communicated the request to the Count de Vergennes, who said that the receipt in question could be of no use to the banker, since he was not intrusted with the pecuniary affairs of the United States till January, 1777, and that this payment was made on the 10th of June, 1776.

Our ministers were also given to understand that it was useless to urge the demand for a paper in proof of a payment, which would be of no account in the reimbursements to be made by the United States. Doctor Franklin concluded from this that the advance had been lodged in the hands of M. Beaumarchais, and that it was a cabinet mystery whose *éclaircissement* ought to be a matter of indifference to us, at least till it became necessary to set this sum against the demands of Beaumarchais for the supplies which he had furnished to the United States. This occasion has now arrived, but without this you will perceive, at the first glance, that the payment having been acknowledged by the United States, the receiver, whoever he may be, ought to give them an account of the manner in which he employed it. Besides, mysteries serve too often only to cover wasteful expenditures, of which the people are victims. It is therefore given me in charge to solicit the papers acknowledging the payment of a million livres as a gratuity, made by France to the United States of America on the 10th of June, 1776. I think they will be found among the accounts of M. Durival, then head of the treasury department for foreign affairs; and I apply to you, in these circumstances, with the more confidence, as I am fully convinced of the good will of the French government toward the United States.

I have the honor to be, &c.,

GOUVERNEUR MORRIS.

To M. BUCHOT,
Commissioner of Exterior Relations.

M. Buchot to Gouverneur Morris, minister of the United States.

PARIS, *July* 7, 1794.

SIR: In your letter of the 21st ultimo you request of me the communication of the papers which explain in what manner the million advanced to the United States on the 10th of June, 1776, was paid.

I sent your request to the *Comité de salut public*, to whom it appeared just, in this respect, to render to the United States the satisfaction, which was denied to them by the ministers of the ancient *régime*. In consequence, I caused the necessary researches to be made, and I hereby subjoin a copy of a receipt, dated the 10th of June, 1776, which appears to be the one desired by the United States to regulate their accounts.

As you have well observed, there is no occasion for mystery between two nations united by all the ties of friendship and of common interest.

I have the honor to be, &c.,

BUCHOT.

If more conclusive proof is needed that this million of livres was not only advanced to the United Colonies through Beaumarchais, but that it was intended as a gratuity to the colonies, it is to be found in the letter of M. Durival, one of the French ministry, and *Chef du bureau des fonds des affaires étrangères*. Benjamin Franklin, minister of the United States to France in 1785, discovered that a million of livres had been advanced from the royal treasury, which did not appear in the accounts of M. Grand, the banker of the United States in Paris. He determined to have the matter explained if possible, so that, as he says, "it may stand clear before I die, lest some enemy should afterward accuse me of having received a million not accounted for." After his return to America in 1786 he opened a correspondence with the secretary of Congress on the subject, and finally wrote to M. Grand requesting him to make inquiry into the matter at the French treasury. The result of his inquiries was the following letter:†

M. Durival to M. Grand.

[Translation.]

VERSAILLES, *August* 30, 1786.

SIR: I have received the letter which you did me the honor to write on the 28th of this month touching the advance of a million, which you say was made by the farmers-general to the United States of America, the 3d of June, 1777. I have no knowledge of that advance. What I have verified is, that the king, by the contract of the 25th of February, 1783, has confirmed the *gratuitous gift* which his majesty had previously made of the three millions hereafter mentioned, viz: *one million delivered by the royal treasury the 10th of June*, 1776, and two other millions advanced also by the royal treasury in 1777, on four receipts of the deputies of Congress, of the 17th of January, 3d of April, 10th of June, and 15th of October, of the same year. This explanation will, sir, I hope, resolve your doubt touching the advance of the 3d of June, 1777. I further recommend to you, sir, to confer on this subject with M. Gojard, who ought to be better informed than we, who had no knowledge of any advances but those made by the royal treasury.

I have the honor to be, &c.,

DURIVAL.

This would appear to settle the question as to the advance of the first million. Against all this evidence there can be adduced only a resolve of Congress passed in 1779, denying that any present of supplies previous to the treaty of alliance had been received from France, and the denial of M. de Talleyrand in 1816, when pressing the claim of the heirs of Beaumarchais. The resolution of Congress was passed under the pressure of a demand made by Gérard, the French embassador, after the publication of a pamphlet by Thomas Paine, secretary of the congressional committee on foreign affairs, in which, from official documents in his possession, he had, without authority, made such extracts as went far to reveal this dangerous state secret.

As for M. de Talleyrand it is probable, from his too well-known character, that he would, in a diplomatic way, have denied or asserted anything to carry his point. His denial, even if sincere, could have no weight against the express declarations of Vergennes, Durival, and others, the actors in this affair.

American State Papers, "Foreign Affairs," vol. i, p. 411. See receipt, *ante*. †Sparks' Diplomatic Correspondence, vol. iv, p. 223.

As to the second million the evidence is as follows: The kings of France and Spain had, as members of the royal house of Bourbon, signed what was known as the "family compact," by virtue of which they were to act together in their foreign policy. We have seen that Vergennes, when asking for a million from the French treasury "for the English colonies", proposed to write to the Spanish minister of foreign affairs and ask him to double the gift. The dispatch is not accessible, though it might probably be found in the Spanish archives, but the request was granted.

*In order that this subvention might be kept secret, the Spanish million before reaching his (Beaumarchais') hands had to make a little circuit. The Spanish embassador paid it into the public treasury of France, and took an acknowledgment for it from the cashier; he remitted this acknowledgment to M. de Vergennes, and the latter gave it to Beaumarchais in exchange for the following receipt, which I quote literally from the original in the archives of foreign affairs.

[Translation.]

I have received from his excellency M. le Comte de Vergennes an acknowledgment for the million livres Tournois which M. Duvergier had given to the Spanish embassador, with which acknowledgment I shall touch, at the royal treasury, the said sum of a million Tournois, for the employment of which I will render an account to his said excellency M. le Comte de Vergennes.

CARON DE BEAUMARCHAIS.

AT VERSAILLES, *Aug.* 11, 1776.

No evidence as to this second million was accessible to the United States authorities when they settled Beaumarchais' accounts. The versatile author of the "Barber of Seville" was now set up as a merchant, an entirely new walk in life for him, with a capital of two millions of livres (about $363,000), advanced from the royal treasuries of France and Spain to supply the United Colonies with the means of carrying on the contest. It is probable that he had received orders from the French ministry to invest it in material supplies, instead of handing over the specie. The cannon, ammunition, and muskets were taken directly from the French arsenals. It is said that he was to restore these in kind, and this may be the fact. The only evidence on the point is a letter from the French minister of war notifying him that when he returns the powder it will have to be subjected to the usual tests. This might apply either to the powder sent to the Americans or to that required for the private navy which Beaumarchais fitted out, as he says, "to cruise across the ocean, to convoy, attack, burn, or take private vessels." One of his vessels, the Fier Roderigue, a three-decker, carrying sixty guns, while convoying ten merchant vessels, was stopped and ordered into line of battle by Admiral de Estaing, who was then lying off the island of Grenada in command of the French fleet, and preparing to fight the English fleet commanded by Admiral Byron. The Fier Roderigue came out of the action covered with glory, but the captain and a large number of the crew were killed and the vessel riddled with balls. Byron was forced to retreat.

The cloth for uniforms was purchased in market, as it is hardly possible that the French government had in store clothing for soldiers to suit the fantastic ideas of Beaumarchais, and if it had possessed it, to clothe American soldiers in French uniforms would have been equivalent to a declaration of war with Great Britain. The secret committee of Congress had ordered that the uniforms to be purchased should be blue with facings of different colors for the different arms of the service, but Beaumarchais very coolly changed all this. As a writer of operas, he had perhaps derived his ideas of martial equipments from those of the mimic soldiers of the stage. He wrote to the committee, December 1, 1776, that he should ship uniforms for six divisions of five thousand men each, one division to be blue, the others respectively brown, green, red, gray, and light blue.

History has not recorded the color of the uniform in which our Revolutionary forefathers won or lost their battles, but as Beaumarchais actually shipped a large part of the clothing, it is probable that some divisions of the army really were attired in this parti-colored fashion. In these shipments his native energy came out in all its force. Despite the scarcity of vessels and seamen, the fact that the ocean swarmed with British cruisers ready to intercept all supplies for America, the strict blockade of the American coast, and the energetic remonstrances of Lord Stormont, the British embassador, he succeeded in loading and dispatching a large amount of supplies, cannon, ammunition, and arms, most of which reached their destination.

Loménie, the author of the entertaining work "Beaumarchais and his Times", says he had forty ships at sea, and that the first cargo of supplies sent to the Americans was valued at three million livres, but in this there is much exaggeration. If he had forty ships at sea they were not engaged in supplying the United Colonies. The total number of vessels sent was eight, the Amphitrite, Mercure, Mère Bobie, Flamand, Mary Catherine, Seine, Amelia, and Thérèse. The first shipment was by the Amphitrite, and her cargo was valued (as shown by Beaumarchais' original account-current) at 979,493 livres, 8 sols, 3 deniers. Four of these vessels arrived safely at Portsmouth, New Hampshire, two reached Martinique, where their cargoes were received by Mr. Bingham, agent for the Continental Congress, and dispatched in small, swift-sailing vessels to Edenton, North Carolina, and two, the Amelia and Thérèse, arrived at cape François, where they were received by M. Carabosse, agent for Beaumarchais. The fate of these last cargoes is uncertain; a portion at least was dispatched to the continent.

Loménie in his work asserts that hardly any return was made in produce for these shipments, mentioning only three small lots as having been received, and even for these, he says, Beaumarchais had a contest with the American commissioners, Franklin, Deane, and Lee, who wished to sell the cargoes and appropriate the proceeds to other purposes. Now, the fact is, as shown by the Beaumarchais manuscript, that ten vessels were dispatched with

* Loménie, vol. iii, pp. 129, 130.

produce to Beaumarchais, the cargoes of which he sold, and credited the proceeds to the United Colonies. Some of these were return cargoes on his own ships, others were by vessels chartered for the purpose, and one shipment was made on the Bonhomme Richard, Paul Jones' flag-ship.

The shipments began October 1, 1777, when the Amphitrite was dispatched with a return cargo, and continued until July, 1781, by the following vessels: Thérèse, Fier Roderigue (two cargoes), Pérouse, Deux Hélènes, Bonhomme Richard, Polly, Amelia, and Mercure. These vessels were not all fully loaded, but their cargoes, after deducting *one-half* for freight and large sums for commissions, netted 713,996 livres. It is a noticeable fact that among the American produce sent was a large amount of indigo, then extensively cultivated at the South, but no longer produced in the United States, though the soil proved well adapted to it, and its quality was excellent.

The returns from America were, however, very slowly made—too slowly to enable Beaumarchais to meet his engagements. For this reason he applied in the year 1777 to Louis XVI, and received by installments another million of livres. The proof of this is to be found in Loménie's work referred to above. Loménie often exaggerates, but he advocates most warmly the side of Beaumarchais, and wastes a great deal of special pleading to prove that the United States defrauded him. For this very reason he is a first-class witness when stating facts that bear against his client. He held in his possession Beaumarchais' papers and had access to the French archives, and the proof was so incontestable that he could not avoid the conclusions. He says (vol. 3, page 224):

I have been obliged, nevertheless, contrary to the very sincere opinion of the heirs of Beaumarchais and to the declarations of the different ministers since 1778, all based upon the first official declaration of M. de Vergennes—I have been obliged to re-establish the truth as to the fact of the celebrated million which was incontestably given by the government, not for a *secret political service, unconnected with the American supplies, but for the supplies themselves.* Finding, also, in the archives of foreign affairs, the material proof that Beaumarchais, independently of the first million, given June 10, 1776, received a second from the court of Spain, August 11, 1776, and a third paid by installments in the course of 1777, I have been obliged to mention all these facts because they are true, and because the first duty of a writer, who respects himself, is not to conceal the truth.

Beaumarchais' letters written while shipping the supplies are both unique and interesting. He lectures the Continental Congress with the freedom of a general officer speaking to a council of western Indians, advises the appointment of a dictator, urges the declaration of war against Portugal, as if war with Great Britain was not enough, and wishes expeditions fitted out against "the defenseless English factories in Africa", and the "galleons heavy with gold on the coast of Brazil". He says he has two thousand military officers ready to start for America, and in a subsequent letter says he has sent thirty-four of them over. To these foreign officers he made large advances in specie. Some of them did good service in the armies of the Revolution; others, who came over with great pretensions, proved worthless. Besides the shipments of produce, Congress paid in specie to M. de Francy, an agent sent over by Beaumarchais in 1777, as admitted in his account-current, 55,000 livres; in June, 1780, by bills on Dr. Franklin, 144,000 livres; in June, 1781, 144,000 more; and May 18, 1782, bills of exchange for 2,400,000 livres at three years from date, with interest added. These bills were all cashed at maturity.

Under the act of April 18, 1806 (2 Stat., 389), $78,886 26, equal to about 434,635 livres, was paid to Beaumarchais' heirs; and under the convention with the king of the French of July 4, 1831, 800,000 francs, equal to 810,000 livres, were reserved and paid.*

An account fairly stated between the United States and Beaumarchais and his heirs, allowing to Beaumarchais all his charges for shipments, freight, insurance, and advances to foreign officers, and to the United States the subsidies and the payments admitted to have been made, will stand as follows. The account is stated in livres Tournois, as nearly all the transactions were carried on in that currency. Fractions of livres are thrown out. Five and a half livres are nearly equal in value to one dollar.

* ACCOUNT.

Cr.

The United States—	Livres.
By shipments of produce	713,996
By payment to M. de Francy	55,000
By bills of exchange on Franklin	2,688,000
By French subsidies paid Beaumarchais	2,000,000
By Spanish subsidies paid Beaumarchais	1,000,000
By grant by Congress April, 1806	434,635
By payment in 1835	810,000
	7,701,631

Dr.

To Beaumarchais' account for supplies, &c., as stated by himself †	6,274,844
Overpayment by the United States	1,426,787

Much more evidence might have been adduced from Arthur Lee's correspondence, of the correctness of these conclusions, but Lee has been accused of personal hostility to Beaumarchais, and his evidence is therefore ruled

* Loménie, vol. iii, p. 223, † Beaumarchais' manuscripts.

out, except on matters in which it is confirmed by others. The charges of interest by Beaumarchais have not been admitted. If any interest was due it was to the United States, the three millions of subsidy having been advanced so early in the transactions.

Beaumarchais was financially ruined, it is true, but not by his dealings with the United Colonies. Loménie, who was in possession of his private papers when he wrote, says that from October 1, 1776, until September 30, 1783, his accounts show that he received 21,092,515 livres and disbursed 21,044,191, showing an excess of receipts over disbursements of 48,324 livres.* But these seven years cover precisely the time of the American Revolution, during which the shipments were made. The balance on the right side of the profit-and-loss account is small, but it does not look like financial ruin. The fact is that his embarrassments arose solely from his engaging, in the year 1779, in the republication of the works of Voltaire, one of the most extensive and most unfortunate literary undertakings on record. Voltaire's works were prohibited in France, and the influence of the clergy was sufficient to prevent even Beaumarchais, though high in favor with the king, from republishing them there. He therefore rented from the margrave of Baden, in Germany, an old castle at Kehl. Here he founded an enormous printing establishment, imported from England, notwithstanding the war, the best types that could be purchased, made the paper for the work, and carried the whole through, after years of labor, to its final completion.

Voltaire's works comprised seventy octavo volumes, and of these he printed 15,000 copies, or 1,050,000 volumes. It was a most unfavorable time for a great literary enterprise. Half the world was in arms, and in France church and state were tottering on the verge of an abyss. When the revolution broke out but 2,000 sets of Voltaire had been disposed of, leaving on hand 910,000 volumes. So vast were the quantities of books that he was obliged to store in Paris, in the Faubourg St. Antoine, that he was subjected to frequent domiciliary visits by the mob and the revolutionary authorities, who were persuaded that his storehouses contained either grain or arms.† To sell the books was impossible, and they probably saw the light only in the shape of gun cartridges.

So much space has been devoted to the affairs of Beaumarchais that not much more can be given to an account of the other subsidies received. Two million livres more were granted by France in the year 1777, and in 1781 six millions, making a total of ten millions, of which Beaumarchais received two, and the rest was paid through Benjamin Franklin. The French authorities insisted that so much of this money as was not expended in Europe should be drawn for by General Washington in bills on M. de Harvelay, *garde du trésor royal.* Franklin protested that it was not the usage in the United States to allow the General of the army to draw for moneys intended to be paid into the treasury, but the French minister would hear no explanations on this point, and assured Franklin that it was his majesty's order.‡ It is supposed, therefore, though the fact has not been recorded, that the bills went to Paris signed by General Washington.

The subsidy account stands as follows:

	Livres.
French subsidy	10,000,000
Spanish subsidy	1,000,000
Total	11,000,000

equal to $1,996,500. As this money was a free gift it has not been repaid, unless the sums paid Beaumarchais be taken as a partial reimbursement.

LOAN FROM FARMERS-GENERAL OF FRANCE.

The first loan negotiated by the Continental Congress was obtained in the year 1777 from the "farmers-general of France". Until that time the expenses of the Revolutionary government in Europe had been met by small subsidies from France and Spain, and by such remittances in specie as could be spared from home. But these funds could not go very far toward accomplishing the objects of the American commissioners in Europe. Beside the supplies obtained through Beaumarchais, it was thought necessary to purchase large amounts, especially of gunpowder, of which 200,000 pounds were purchased at once; also to build ships of war to cruise on the coast of Great Britain and make prizes of the richly laden English ships in those seas. While waiting for the means of building large ships, small, swift-sailing vessels were fitted out as privateers, with the connivance of the French ministry, under the encouragement and partly with the funds of the commissioners. One of these sailed entirely around Ireland and captured and burnt seventeen or eighteen sail of vessels, which occasioned great consternation among English merchants, raised insurance to ten per cent., prevented the great fair at Chester, in England, and so much deterred shipments in English bottoms that in a few weeks forty French ships were loading in the Thames, an instance never before known.§

The secret committee of Congress appears to have advised Deane to obtain a loan. It is probable that he applied to the French ministry for one, but the time had not yet come for them to loan money openly to England's rebellious colonies. They grew bolder in 1778; but on this application they referred Deane to the farmers-general, who, as a private corporation engaged in the collection of the national revenue of France, might loan public moneys, if encouraged to do so by the government, without causing any diplomatic complications. The farmers-general were a privileged association who "farmed" or leased the public revenues, paying to the government a certain fixed sum,

* Loménie, vol. iii, p. 227. † Ibid., chap. 24. ‡ Sparks' Dip. Cor., vol. iii, p. 193. § Ibid., vol. i, p. 107.

and making a heavy profit from the surplus. This association was allowed to bring tobacco into the kingdom free of duty, which, practically, gave them the monopoly of the tobacco trade. When Deane applied for a loan to the farmers-general they offered him two millions of livres in exchange for tobacco. The contract, dated March 24, 1777, and signed by Franklin and Deane on the part of the United States and by M. Paulze on the part of the farmers-general,* provided that the United States should deliver in the ports of France, during the year 1777, 5,000 hogsheads, or 5,000,000 pounds, of York or James river tobacco, at 8 sols per pound, or 40 livres Tournois ($7 26) per hundred-weight, which would amount to 2,000,000 livres for the whole. For this the farmers-general were to advance 1,000,000 livres within one month after the signing of the contract, and 1,000,000 more on the arrival of the first ships loaded with tobacco. Any greater quantity than the 5,000,000 pounds sent by Congress, was to be paid for at the same rates. Under this contract the advance of 1,000,000 livres was paid to the commissioners, Franklin and Deane, June 4, 1777, and by them deposited with M. Grand, banker of the United States in Paris. It appears that, on this contract, the United States made three shipments of tobacco in 1778 and 1779, by the ships Baltimore, Morris, and Bergère. The aggregate net weight of their cargoes was 390,891 pounds, which the farmers-general received at 153,229 livres, 5 sols, 7 deniers. This left a balance of 846,770 livres, 14 sols, 5 deniers, which was paid after the Revolution to the republican government of France. The corporation of farmers-general was extinguished by the Revolution and most of its members perished by the guillotine. The government probably seized the obligations of the United States which they held, and claimed their payment—the property of the victims, held to be public enemies, having escheated to the state.

When the time came for settling this loan, the transactions of the American commissioners in France were involved in so much mystery, that it was supposed by the treasury authorities that this advance of 1,000,000 livres was included in the French subsidies, and even Franklin, though engaged in the transaction, was unable to explain it. The king of France had declared that he had given 3,000,000 livres to the United Colonies in 1776 and 1777, but only 2,000,000 had reached M. Grand, banker of the United States, in Paris. What had become of the other million, was unknown; and it was at one time supposed that the advance from the farmers-general was the third million. The comptroller wrote, February 8, 1794, to M. Bournonville, secretary of the foreign legation, as follows:

> After a careful examination of all the foreign accounts of the United States, it is certain that no more than 3,000,000 livres, including the million advanced by the farmers-general, have been credited by any agents of the United States. The assumption of this debt by the French government, taken in connection with the circumstances before stated, creates, therefore, a just presumption, until an explanation is received, that the advance by the farmers-general was included with the advances made from the French treasury in the year 1777, and constituted part of the gratuitous aid referred to in the contract of February 25, 1783.

The mystery was not cleared up until Gouverneur Morris obtained, from the French archives, a copy of the original receipt given by Caron de Beaumarchais showing that *he* had received the first million of subsidy, and hence the advance by the farmers-general was a loan from that corporation and not a gratuity from France. The interest on this loan ceased December 31, 1793, when the account was merged in the general account of the French debt.

FRENCH LOAN OF EIGHTEEN MILLION LIVRES.

It is extremely difficult to obtain information respecting this loan. It is probable that it was, in its inception, not so much a loan as a subsidy, a payment of 750,000 livres every three months to the American commissioners in France, to enable the colonies to keep up the unequal struggle with Great Britain. The money was advanced without an expectation of repayment, though with a stipulation that it should be repaid. In 1782 an account was taken of former payments not included in the 10,000,000 livres expressly given as a gratuity, and a formal contract for the repayment was drawn up. These payments amounted to 15,000,000 livres, and a further sum of 3,000,000 livres was added and paid to the United States, making a total of 18,000,000, which it was agreed should be repaid. The contract will be found in Journals of Congress, vol. iv, Appendix, p. 20, and is dated July 16, 1782. It enumerates the different sums advanced by the king of France to the United States "under the title of a loan, in the years 1778, 1779, 1780, 1781, and 1782", and provides that, although in the receipts for said payments it is promised that the money should be repaid on the 1st of January, 1788, with interest at 5 per cent. per annum, yet, as the payment of so large a sum at one period might greatly injure the finances of the United States, it should be made in twelve annual payments of 1,500,000 livres each, to commence from the third year after the conclusion of peace. Article 3 declares that "although the receipts of the minister of the Congress of the United States specify that the 18,000,000 of livres Tournois are to be paid at the royal treasury with interest at 5 per cent. per annum, his majesty, being willing to give the United States a new proof of his affection and friendship, has been pleased to make a present of, and to forgive, the whole arrears of interest to this day, and from thence to the day of the date of the treaty of peace: a favor which the minister of the Congress of the United States acknowledged to flow from the pure bounty of the king, and which he accepts in the name of the said United States with profound and lively acknowledgments". Franklin, in transmitting this contract, wrote:†

> All the accounts against us for money lent and stores, arms, ammunition, and clothing furnished by government were brought in and examined, and a balance received which made the debt amount to the even sum of 18,000,000 livres, exclusive of the Holland loan for

* Sparks' Diplomatic Correspondence, vol. i, p. 282.

† Sparks' Life of Franklin, vol. ix, p. 383.

which the king is guarantee. In reading the contract you will discover several fresh marks of the king's goodness to us, amounting to the value of near two millions. These, added to the free gifts before made us at different times, form an object of at least twelve millions, for which no returns but that of gratitude and friendship are expected. These, I hope, may be everlasting.

It does not appear whether the "stores, arms, and ammunition" were those sent to the United States by Beaumarchais from the arsenals of France, as before referred to; if they were the same, the United States have paid for them twice.

The definitive treaty of peace was made in 1783; but the United States, in the confusion existing between the close of the war and the adoption of the new Constitution, were unable to begin the repayment as provided for in the contract. It was a debt due by a Congress dependent for its revenues on States beyond its control. Not until after the formation of the general government, as now existing, was repayment begun, and then the French monarchy, to which the debt was due, had passed away. The repayment began in 1791, and was made to the revolutionary government of France. The last direct payment in money on this contract was 1,500,000 livres, made in 1795. This left a balance still due of 4,186,776 livres, 17 sols, 2 deniers. For this balance, added to other items of the debt due France, then unpaid, stock was issued known as the 5½ per cent. stock of 1795, this stock being accepted in lieu of all demands by James Swan, agent of the French government. This loan has all been repaid.

LOAN FROM SPAIN IN 1781.

The early financial transactions of the United States in Europe appear to have been, in the main, secret. To this may be attributed the fact that the information respecting them is so scanty. If it exists, most of it is probably buried in the archives of foreign governments, and the Spanish loan of 1781 is no exception to this rule, even the Secret Journals of Congress containing but little information respecting it. The instructions to John Jay, sent as minister to Spain in 1779, show that he was directed to represent the distressed state of the financial concerns of this country "to his Catholic majesty" and to solicit a loan of $5,000,000, but before asking for a loan he was to endeavor to obtain from his majesty a subsidy in consideration of a guarantee by the United States of all rights which Spain might acquire in Florida by conquest from Great Britain.* It is to be presumed, of course, that Mr. Jay obeyed his instructions, but he obtained neither the subsidy nor the five millions as a loan.

In making up a statement of the foreign debt, however, after the adoption of the Constitution, it appeared that a small sum was due Spain for advances of money in the year 1781. The register of the treasury in a letter to the Secretary, Alexander Hamilton, October 9, 1792, says:

> I have the honor to inclose certified copies from the treasury books of an account depending between his most Catholic majesty and the United States, for moneys received on loan. I cannot find that this loan has been recognized on the Journals of Congress in like manner with the French and Dutch loans. It is founded on a settlement made by the late commissioner for settling the foreign accounts, entitled: "Loans from the court of Spain." This money was paid to the Hon. James Gardoqnoi and has been regularly accounted for by him, having been expended in the purchase of clothing and in the payment of bills of exchange drawn by order of Congress.

It appears by this statement that the Spanish debt amounted to $174,011 00. This was all repaid in the years 1792 and 1793; in fact there was an overpayment of $6 13, caused by small variations in the rates of exchange.

FRENCH LOAN OF TEN MILLION LIVRES.

The financial situation of the Continental Congress was at its worst in the years 1779 and 1780. Over $200,000,000 in Continental currency had been issued, and this currency, at first circulating readily at its face value, had depreciated as the amount issued increased, until it only passed at forty for one. Even at this discount it soon ceased to circulate at all, and in the year 1780 "it quietly expired in the hands of its possessors". The Revolutionary army was reduced to extremity. On the 1st of February, 1778, nearly 4,000 men were returned as unfit for duty for want of clothes. In January, 1780, General Washington wrote to the governor of Connecticut, that the army had been near three months on a short allowance of bread, within a fortnight almost perishing. They had been sometimes without bread, sometimes without meat, and oftener without both. They had borne this distress, in which the officers shared the common lot with the men, with as much fortitude as human nature was capable of, but they had at last been brought to such a dreadful extremity that no authority or influence of the officers, no virtue or patience in the men, could any longer restrain them from obeying the dictates of their feelings. The soldiers had in several instances plundered the neighboring inhabitants even of their necessary subsistence. Without an immediate remedy this evil would soon become intolerable, and, unhapily, there was no prospect of relief through the ordinary channels. They were reduced to this alternative: either to let the army disband, or to call upon the counties of that state to furnish a supply of cattle and grain for the supply of their wants. If the magistrates refused their aid, they would be obliged to have recourse to a military impress. It was evident to the members of Congress that relief from new issues of paper money was hopeless, and it was determined to attempt to negotiate a

* Secret Journals of Congress, vol. ii, p. 263.

loan in Holland. On the 21st of October, 1779, Henry Laurens, of South Carolina, was chosen as agent for that purpose. His instructions were contained in two resolutions which were introduced and passed October 26, and which were as follows:*

Resolved, That he be instructed to borrow a sum not exceeding ten millions of dollars at the lowest rate possible, not exceeding six per cent. per annum.

Resolved, That he be empowered to employ on the best terms in his power some proper mercantile or banking house in the city of Amsterdam or elsewhere in the United Provinces of the Low Countries to assist in the procuring of loans, to receive and pay the money borrowed, to keep the accounts, and to pay the interest.

A commission was issued June 20, 1780, to John Adams, who had been appointed minister plenipotentiary to negotiate a treaty of peace with Great Britain, authorizing him to contract for a loan in Holland, and another was issued to Francis Dana of the same purport, setting forth that Henry Laurens, who had been appointed on that business, had been detained by unavoidable accidents from proceeding on the business of his agency.

Shortly after these commissions were issued Mr. Laurens sailed for Europe, but the vessel in which he took passage was captured by a British frigate off the coast of Newfoundland. He threw his papers overboard, but not weighting them sufficiently, they floated and were recovered by a British sailor. This incident produced a war between Great Britain and Holland, for the papers contained the plan of a treaty with the United States drawn up under the directions of Van Berckel, grand pensionary of Amsterdam. Sir Joseph York, English minister at the Hague, was instructed to demand a disavowal of this plan by the states general and "the exemplary punishment of the pensionary and his accomplices as disturbers of the public peace and violators of the rights of nations". "Satisfaction for the supposed offense not being made by the states general, the British minister was ordered to withdraw from Holland, and this was soon followed by a declaration of hostilities against that country by the court of London."†

Mr. Laurens was taken to London, examined before the privy council, and committed a close prisoner to the Tower on the charge of high treason, but the negotiations for a loan went on under the commission issued to Mr. Adams, aided by the exertions of Col. John Laurens, who had been dispatched to Europe on the same mission in December, 1780, his father, Henry Laurens, being still a prisoner in the Tower of London. When Colonel Laurens arrived in Paris, he found that very fair promises of assistance had been made by the French court, but nothing had been done.

The delay in fulfilling these promises illy accorded with the high and ardent feelings of the young American envoy. Knowing the pressing wants of his country and the necessity of immediate aid, if afforded at all, after a delay of more than two months he determined at the next levee day to present, in person, a memorial to the king, though directly contrary to the forms of court. In conversation with the Comte de Vergennes, on the morning of the day on which he intended to present his memorial to the king, Mr. Laurens expostulated with him, on delaying the promised aid, in such warm and bold language that the minister replied:

"Colonel Laurens, you are so recently from the headquarters of the American army, that you forget you are no longer delivering the orders of the commander-in-chief, but addressing the minister of a monarch who has every disposition to favor your country."

"Favor, sir," rejoined Laurens; "the respect which I owe my country will not admit the term—say the object of my mission is of mutual interest to our respective nations and I subscribe the obligations; but as the most conclusive argument I can address to your excellency, the sword which I now carry in defense of France as well as of my own country, I may be compelled to draw against France as a British subject, unless the succor I solicit is speedily accorded."

He presented his memorial to the king on the same day. It was graciously received and, no doubt, was the means of hastening the promised succor.

Applications for loans in Holland had hitherto been unsuccessful. The Hollanders either distrusted the security, or were unwilling to incur the resentment of Great Britain by lending the Americans money to enable them to carry on the war.

The king of France had, through his minister at the Hague, offered his assistance to the Americans in procuring loans in that country, but without effect. He now engaged to become, himself, responsible for the sums which might be furnished. In consequence of this and the exertions of Mr. Adams, a loan of ten millions of livres was obtained in Holland.‡

The money thus borrowed, although intended solely for the United States, having been obtained on the credit of France, became a debt due to that country, and was provided for in the financial contract drawn up July 16, 1782, and signed by the Comte de Vergennes and Benjamin Franklin.

Article V of this contract says that although the loan of 5,000,000 florins of Holland, amounting on a moderate valuation to 10,000,000 livres Tournois, agreed to by the states general of the Netherlands on the terms of the obligation passed November 5, 1781, between his majesty and the states general, has been made in his majesty's name and guaranteed by him, it is nevertheless acknowledged that the said loan was made, in reality, on account and for the service of the United States of North America. By the terms of the obligation the king had agreed to pay the capital of the said loan with the interest at 4 per cent. per annum, the capital to be repaid in ten equal payments, the first to commence the sixth year after the date of the loan, and to be completed in five years thereafter, and it was therefore promised that the United States should reimburse and pay the same with interest

*Secret Journals of Congress, vol. ii, p. 283. †Pitkin's History, vol. ii, p. 101. ‡Ibid., pp. 158, 159.

at 4 per cent. per annum, at the royal treasury of France, in ten equal annual payments of 1,000,000 livres each, to commence November 1, 1787, the king, "on account of his affection for the United States, having been pleased to charge himself with the expense of commissioners and bank for the loan, of which expense his majesty has made a present to the United States."*

The repayment of the principal, however, was found to be impossible until after the new government of the United States went into operation, and was not commenced until the year 1792. In 1790 there remained unpaid the sum of 8,800,000 livres, 19 sols, 3 deniers, equivalent to $1,760,000, which was paid in the 4½ per cent. stock of 1790, issued in settlement of this with other amounts due France. This stock has all been redeemed.

It appears that when the money was received from Holland 2,000,000 livres was paid into the French treasury for supplies furnished, amounting to 1,136,000 livres, 7 sols, 6 deniers, leaving a balance due France for supplies amounting to 136,000 livres, 7 sols, 6 deniers.

FRENCH LOAN OF SIX MILLION LIVRES.

The loan of 6,000,000 livres obtained from France in 1781 was soon exhausted. Very little of it in cash ever reached America, the bulk of it being immediately paid into the French treasury for supplies previously furnished by the government, and the balance mostly expended in making up bills of exchange drawn by Congress, under the authority which had been conferred upon Congress. So much exhausted was the American treasury that in 1782, when, peace having become a certainty, it was deemed best to reduce the army, the utmost difficulty was experienced in obtaining a sum sufficient to pay the discharged soldiers enough to take them to the places of their enlistment. New loans were necessary, and it was resolved to make new efforts both in France and Holland.

On the 21st of September, 1782, Congress resolved

"That a sum not exceeding $8,000,000 be borrowed, which the United States may obtain by the sale of new negotiable bonds in Holland, bearing interest at the rate of six per cent. per annum, and payable at the end of twenty years from the date thereof, or sooner, at the option of the United States, after the expiration of the first year of the war."

The superintendent of finance and secretary for foreign affairs were directed to take steps for carrying this resolution into effect, and to transmit to the United States ministers plenipotentiary at Versailles and the Hague.

The minister to the court of Versailles was instructed to solicit the loan of 6,000,000 livres, "by the foregoing resolution, and to assure him in the most solemn manner that the United States in Congress assembled, after mature deliberation, do not conceive themselves at liberty to accept the loan on any other terms than those specified in the resolution, as the necessity of applying to the money-markets of Europe for the present occasion."

No information concerning the negotiations for the loan is accessible. By the eighth article of the treaty of 1783, it was provided that "the United States, considering the pressing necessities of their friends and allies, will not make any separate agreement with any power, which has been at war with the King, until terms of peace shall be agreed upon between his majesty and the said United States." Under the circumstances, it was deemed best to apply the money to the payment of the debt to France. The loan was negotiated by Willink, Van Staphorst & Hubbard, of Amsterdam, and the bonds were issued in sums of 500, 1,000 and 5,000 florins, payable in twenty years from date, with interest at 5 per cent. per annum, payable semi-annually. The principal was to be paid in twenty annual payments of 300,000 florins each, the first to be made January 1, 1788, and the last January 1, 1807. The bonds were to be issued as the money was received, and the last payment was to be made January 1, 1788.

PAYMENT OF SUPPLIES NOT PAID FOR.

The account for supplies was finally adjusted by the government of France on a principle made by the agents of Congress. The supplies were furnished in depreciated currency, and the value of the livre assigned to the dollar in 1782. The settlement rates the livre at the value of the continental currency in France. The loan amounted to 6,000,000 livres, which, at the rate of exchange, was equal to 1,000,000 dollars. The value of the supplies furnished was 2,000,000 livres, or 333,333 dollars.

The account of supplies furnished by the government of France, amounting to 6,000,000 livres, was finally settled in 1787, when the sum of 1,136,000 livres was found due to France for supplies furnished. This sum was paid into the French treasury by the agents of Congress, and the account was closed. The supplies furnished by the government of France in the years 1781 and 1782 were mostly furnished in 1782, and the last payment of the loan was made in 1788.

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* Journal of Congress, vol. v, appendix, p. 8. Journals of Congress, vol. v, p. 8. Journals of Congress, vol. v, appendix, p. 8.

HOLLAND LOAN OF 1782.

The negotiation of this loan was the commencement of a long series of financial transactions in Holland. If the gold of France aided the United States through the war in which independence was obtained, it was from Holland that the money came which assisted the government through the difficult years of peace that followed. It will appear by the remarks on the "French loan of ten million livres" that on the 21st of October, 1779, Henry Laurens was appointed a commissioner to negotiate a loan in Holland, and that, as he was not able to leave for Europe at the time, a commission was issued to John Adams, June 21, 1780, giving him authority to borrow in Holland, on the credit of the United States, a sum not exceeding $10,000,000, at not exceeding 6 per cent. interest. There was then no American minister in Holland, nor had that country yet acknowledged the United States as an independent nation. Mr. Adams, when he began his negotiations, held no commission authorizing him to treat with the government, and this fact proved an insurmountable obstacle in the way of obtaining a loan in Amsterdam. A commission as minister plenipotentiary to the court of the Hague had been issued to Mr. Laurens, and he had at last sailed for Europe, but his voyage had only resulted in landing him in the Tower of London, and his papers were in possession of the English.

Mr. Adams appeared in Amsterdam as the agent of thirteen states, unknown among nations, unrecognized and not asking for recognition by the government, but seeking a loan of millions. The repayment of the loan depended on the success of these states in a doubtful and disastrous war. It is not to be wondered at that the security seemed very uncertain to the careful Hollanders. The court of the Hague was evidently well disposed toward the colonies, and had shown this disposition in many ways, which had been the occasion of earnest remonstrances from the British minister. To one of his letters, demanding that American vessels be no longer allowed a shelter in their harbors nor American rebels an asylum in their country, the states general returned the haughty answer that "there were no gates to the Hague".

It does not appear why recognition and a treaty of amity and commerce had not been asked for earlier. No money could be borrowed in Holland until recognition was obtained. William Lee, minister to Prussia, had stopped in Amsterdam long enough to confer with Van Berckel, grand pensionary of that city, and to draw up the plan of a treaty; and this paper, captured with Mr. Laurens, finally involved the states general in war with Great Britain.

Mr. Adams began the attempt to negotiate a loan in September, 1780, and soon found that there were great difficulties in the way. He wrote to the president of the Continental Congress, September 19:*

> I was told that it was mysterious that Congress should empower any gentleman to negotiate a loan without at the same time empowering the same, or some other, to negotiate a political treaty of alliance and commerce consistent with the treaties already made with other powers; that a minister plenipotentiary here would be advised to apply directly to the prince and the states general; that he would not be affronted or ill-treated by either; whether publicly received or not, would be courted by many respectable individuals, and would greatly facilitate a loan.

He appears to have made the first application for a loan to the firm of Vollenhovens.†

> Mr. Bicker recommended the Vollenhovens as a house of unquestionable solidity, wholly Dutch, biased neither by France nor England. But they were too rich to hazard so dangerous an experiment. They declined my application to them at that time, and have repented since, as I believe, for they have endeavored to retrieve their error, and have succeeded, though not to so great advantage as they might have reaped if they had accepted my offer.

After the refusal of the Vollenhovens Mr. Adams applied to the house of Bowens & Sons, who also declined.‡

> This Mr. Bowens & Sons was a capital house in Amsterdam, near relations of Mr. Bicker, who recommended them to me after the Vollenhovens had refused. Although these gentlemen received me very kindly and politely, as the Vollenhovens had done, and gave me some hopes; yet the prince's denunciation of Mr. Van Berckel and the burgomasters of Amsterdam had excited such an alarm that the Bowens were intimidated and refused.

In the meantime Congress, sorely pressed for funds, seems to have drawn bills of exchange for money that had not yet been received, hoping that it might be obtained before the bills reached Europe. This had been done before, while Dr. Franklin was negotiating for loans in France, and had caused him very great embarrassment, leading to constant applications for small sums from the French treasury, some of which were granted, some denied, and part of the bills went to protest, though afterwards paid. Mr. Adams wrote to the president of Congress, November 17, 1780:§

> In the present critical state of things a commission of a minister plenipotentiary would be useful here. It would not be acknowledged, perhaps not produced, except in case of war (between Holland and England); but if peace should continue, it would secure its possessor the external respect of all. It would give him a right to claim and demand the prerogatives and privileges of a minister plenipotentiary in case anything should turn up which might require it. It would make him considered as the center of American affairs, and it would assist, if *anything would*, a loan. I cannot conclude without observing that I cannot think it would be safe for Congress to draw for money here until they shall receive certain information that these bills can be honored. There are bills arrived which, if Mr. Franklin cannot answer, must, for aught I know, be protested.

It was evident that American credit was very low in Holland. The defeat of General Gates at the South, the treason of Arnold, the capture of Laurens and his papers, which were soon to bring on a war between Holland and

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* Life and Works of John Adams, vol. vii, p. 259. † Ibid, p. 313. ‡ Ibid, p. 323. § Ibid, p. 331.

the English, were the reasons assigned for this. Added to this was the fact that Mr. Adams held no commission as minister in Holland. Congress finally removed this objection by appointing him minister plenipotentiary to negotiate a treaty of amity and commerce with the states general. The commission reached him in April, 1781, and he immediately presented a memorial to Peter Van Bleiswyck, grand pensionary of Holland, and to "the president of their high mightinesses for the week, the Baron Linden de Hemmen", asking to be received as minister from the United States of America. This memorial appears to have been under consideration for nearly a year. The constitution of the states general was peculiar, and to American ideas would seem to have been invented for preventing the transaction of any business whatever. The principle that the majority shall rule was not recognized, all bills requiring for their passage the unanimous vote of all the states of the Netherlands. The smallest province (and some of them were very minute) was able by its single vote to veto any bill whatever. This system caused a great delay in the settlement of the question, and rendered it necessary for Mr. Adams to call personally in January, 1782, on the delegates of each province and city. He found that the attainment of unanimity would be difficult, there being a strong English party at the court, though the republic was then at war with England. The Americans were blamed as the cause of the war, which had interrupted the trade of the country, and efforts were made to excite the mob of Amsterdam against them and their friends.

*All this had such an effect that all the best men seemed to shudder with fear. I should scarcely find credit in America if I were to relate anecdotes. It would be ungenerous to mention names, as well as unnecessary. I need only say that I was avoided like a pestilence by every man in government. Those gentlemen of the ranks of burgomasters, schepens, pensionaries, and even lawyers, who had treated me with great kindness, sociability, and even familiarity, dared not see me, dared not be at home when I visited at their houses, dared not return my visit, dared not answer in writing even a card that I wrote them. * * * Not long after arrived news of the capture of St. Eustatia, &c. This filled up the measure. You can have no idea, sir, no man who was not upon the spot can have any idea, of the gloom and terror that was spread by this event. The creatures of the court openly rejoiced in this, and threatened, some of them in the most impudent terms. I had certain information that some of them talked high of their expectations of popular insurrections against the burgomasters of Amsterdam and M. Van Berckel, and did Mr. Adams the honor to mention him as one who was to be hanged by the mob in their company.

When it became known, however, among the people of Holland that Mr. Adams held full powers as minister plenipotentiary, and was asking for a treaty of commerce and alliance, the machinations of the English party at court proved of avail only to delay, not prevent, the recognition of the republic of the west. The feelings of the masses are always safer guides than the selfish instincts of courtiers.

*The people, who are generally eager for a connection with America, began to talk, and paragraphs appeared in all the gazettes in Dutch, French, and German, containing a thousand ridiculous conjectures about the American embassador and his errand. One of my children could scarcely go to school without some pompous account of it in the Dutch papers. I had been long enough in this country to see tolerably well where the balance lay, and to know that America was so much respected by all parties that no one would dare offer any insult to her minister as soon as he should be known. I wrote my memorial and presented it in English, Dutch, and French. There was immediately the most universal and unanimous approbation of it expressed in all companies, pamphlets, and newspapers, and no criticism ever appeared against it.

While Mr. Adams was waiting the slow endeavors of the states general to arrive at unanimity, the province of Friesland, one of the states, took the resolution to recognize him as minister on her own account. The provinces and cities of Holland seem to have possessed the right of acting thus independently, even in matters affecting their foreign relations, each being, according to Mr. Adams, considered as an independent republic.* It would appear to American ideas that such a system would subject the nation to the inconvenience of being at any time involved in war, against its will, by the acts of some one member of the confederacy. This action of the province of Friesland was taken by Mr. Adams as indicating the result of his application to the states general. "Friesland is said to be a sure index of the national sense. The people of that province have ever been famous for the spirit of liberty. The feudal system never was admitted among them, they never would submit to it, and they have preserved those privileges which all others have long since surrendered." † One of the ancient statutes of Friesland, coming down from the days of paganism, declared that the people should be free "as long as the winds blow and the world stands". The Friesians are the nearest blood-relations of the Anglo-Saxon race.

Mr. Adams was not mistaken in his supposition that the action of Friesland indicated that of the states general. The vote by which he was received was taken in that province in February; in March, 1782, the states of Holland voted to recognize him, and on the 23d of April their "high mightinesses, the states general," appointed a committee to negotiate a treaty of amity and commerce with Mr. Adams,‡ as the representative of the United States of America, almost exactly one year after he had received his commission in that capacity. During this long deliberation Mr. Adams had continued his unsuccessful efforts to obtain a loan, having applied, among others, to the house of John de Neufville & Sons. This John de Neufville had at one time been negotiating with Dr. Franklin at Paris, offering to raise a large sum for the United Colonies, on condition that *the title to all the public lands in this country be made over to him*, a proposition the audacity of which must have amazed the doctor. He was very profuse in his promises to Mr. Adams, but very unsuccessful in placing the loan. All that was obtained through his house was 3,000 guilders, about $1,200.

* Adams' Works, vol. vii, p. 523. † Ibid., p. 539. ‡ Ibid., p. 573.

After the recognition of the United States, however, and the opening of the negotiations for a treaty of amity and commerce, the difficulties vanished. The surrender of Lord Cornwallis, October, 1781, had also a good effect on American credit. It became evident in the spring of 1782 that Great Britain would be compelled to acknowledge the independence of the United States. Mr. Adams applied, in May, 1782, to the firms of Wilhelm & Jan Willink, N. & J. van Staphorst, and De la Lande & Fynje, who, after some preliminary negotiation, agreed to raise the money. The Willinks and Van Staphorsts thus became, and long continued, the financial agents of the United States in Holland. For more than forty years they remained our European bankers, much to our advantage and probably to their own. During all this long period, their financial honor remained unsullied and their good faith unbroken. Years afterwards they purchased from the state of New York a large body of land, which became known as the "Holland land purchase", now a rich agricultural district in western New York.

The united firms offered a loan of 5,000,000 guilders ($2,000,000), to run for ten years, at 5 per cent. interest, then to be redeemed in five years, by paying each year a fifth part. As compensation for raising this money they asked 4¼ per cent., to include all the expenses, except a charge of 1 per cent. for paying out the annual interest and a charge of ½ per cent. on the final redemption. To this last item Mr. Adams refused to accede. He offered them 4½ per cent. to cover all charges except the 1 per cent. on the annual interest received and paid by them. To this they agreed, and the contract was closed, varying in no other particular from their first proposition. Five formal contracts for 1,000,000 guilders each, numbered from 1 to 5, were drawn up, "as advised by the ablest lawyers and most experienced notaries," setting forth these terms, with a great deal of verbiage, but which, as Mr. Adams observes in one of his letters, "meant only that the money having been borrowed must be paid." The contract was concluded June 11, and the five formal documents were confirmed by Congress September 14, 1782.* The placing of the loan went on meanwhile without waiting for the confirmation.

It appears that Mr. Adams had small hopes of obtaining the money very soon. In one of his letters he says:†

> Although I was obliged to engage with them to open the loan for five millions of guilders, I do not expect we shall obtain that sum for a long time. If we get a million and a half by Christmas it will be more than I expect.

The united firms, however, were more successful than he hoped. By the middle of August they were able to advise the Continental Congress that 1,300,000 florins awaited their order, besides reserving 200,000 guilders to meet bills of exchange which had already been drawn. By the end of the year they had raised 1,800,000 guilders, notwithstanding the fact that money was very scarce, owing to the demand caused by the war in which France, Spain, Holland, the United States, and England were engaged. During the year 1783 the sum of 1,460,000 guilders was paid into the hands of the bankers of the United States, although all the warring nations, and some not engaged in the fight, were striving to raise loans in the market of Holland.

Mr. Adams wrote to Secretary Livingston, July 28, 1783:‡

> I have great pleasure in assuring you that there is not one foreign loan open in this republic which is in as good credit and goes so quick as mine. The empress of Russia opened a loan of five millions about the same time that I opened mine. She is far from having obtained three millions of it. Spain opened a loan with the house of Hope, at the same time, for two millions only, and you may depend upon it it is very far from being full. Not one-quarter part of the loan of France, upon life-rents, advantageous as it is to the lender, is full. * * * You will see persons and letters in America that will affirm that the Spanish loan is full, and that France and Spain can have what money they please here. Believe me, this is all stock-jobbing gasconade. I have made very particular inquiries, and find the foregoing account to be the truth. *Of all the sons of men, I believe the stock-jobbers are the greatest liars.*

Congress appears, during the negotiations, to have made some shipments of produce to Holland, as the united firms acknowledge, in December, 1783, the receipt and sale "of the cargo of tobacco of the ship Sally". Notwithstanding these shipments and the large amount received on the loan, however, Congress was so pressed for means, as to draw bills of exchange faster than money could be obtained to meet them, so that bills to the amount of 1,250,000 guilders went to protest. In this emergency the Messrs. Willink and their co-partners advised Mr. Adams that, owing to the great demand for money, and France having determined to open a new loan of one hundred millions on better terms than those offered by the United States, it would be necessary to either authorize a new loan, at higher rates, or to offer a higher interest on that which had already been placed on the market. It was finally determined to authorize a new loan while the negotiations for money under the old contracts still went on. During the year 1784 the sum of 1,488,000 guilders was received under the contracts for five millions; in 1785, 134,000; and in 1786, 118,000 guilders, making up a total of 5,000,000. This money was all repaid at the time provided for in the five contracts.

HOLLAND LOAN OF 1784.

On account of the demand for money in Holland in the year 1783, caused by the fact that nearly every nation in Europe was seeking loans at the same time, the subscriptions to the 5,000,000 l[illegible]rst negotiated by Mr. Adams, came in but slowly. At the same time there was extreme necessi[illegible]redit of the United States, already endangered by the fact that drafts for nearly 1,[illegible]mount already raised in Holland had been drawn by Robert Morris, the superin[illegible]had

*Journals of Congress, vol. iv, Appendix, p. 21. †Adams' Works,

already reached Europe. The receipt of advices of these drafts in November, 1783, by the united firms of Wilhelm & Jan Willink, Nic. & Jacob van Staphorst, and De la Lande & Fynje, then financial agents and bankers of the United States in Europe, so alarmed them, that, although the intelligence was received on Sunday, a meeting of the co-partners was called on the afternoon of that day to consider the state of affairs. It was found that there were but 400,000 florins on hand to meet drafts for 1,250,000 guilders ($500,000). An express was immediately dispatched with the information to Mr. Adams, who was then in London, and a letter sent to Dr. Franklin in Paris, asking for assistance. Mr. Adams hastened to Amsterdam as soon as he could leave London, encountering a stormy passage across the German ocean in the dead of winter, but arriving too late to save the bills from protest. A part of these bills were payable in March, and the rest, the largest part, in May, 1784. Though too late to save them from protest for non-acceptance, an immediate and determined effort to raise the money before they became due was made, and was successful. It was apparent that but little could be hoped from the five million loan, which was still on the market, while wealthier nations than the United States were not only pressing for loans, but offering higher terms than Mr. Adams had offered. It was necessary to present additional inducements, and those which were determined on were rather extraordinary, causing the transaction, in fact, to assume the character partly of a loan and partly of a lottery. It is evident that Mr. Adams almost despaired of effecting anything. In a letter to Benjamin Franklin, of January 24, 1784, he says:*

I should look back with less chagrin upon the disagreeable passage from London, if we had succeeded in obtaining the object of it; but I find that I am here only to be a witness that American credit in this republic is dead, never to rise again, at least until the United States shall all agree upon some plan of revenue, and make it certain that interest and principal will be paid. There has been scarce an obligation sold since the news of the mutiny of soldiers in Philadelphia, and the diversity of sentiments among the States about the plan of impost.

It was at first determined to apply to the regency of the city of Amsterdam, in hopes that, to prevent a panic among a community whose interests were so entirely commercial, they might be induced to advance the money, but this application was refused. The next idea was to raise the interest, on the obligations still unsold, to 6 per cent., but even this was thought to be insufficient, and Mr. Adams seems to have considered himself bound by the authorizing act of Congress, which limited the interest to 6 per cent. It was finally determined to place a new loan on the market for 2,000,000 guilders at 4 per cent. per annum, and to distribute among the subscribers *by lot*, in subsequent years, obligations of the United States for 690,000 guilders, as a bonus or premium on the loan. These obligations were to bear interest at 4 per cent., unless paid by the United States in cash within six months. The loan was to run for seventeen years, then to be redeemable by annual payments, to be completed in six years, and as an additional inducement "gratifications", amounting to from 5 to 10 per cent., were to be paid at the time of redemption, to the holders of all the original certificates. It is difficult to make the transaction clear without quoting a large part of the original contract, which will be found in the Appendix to Journals of Congress, vol. iv, page 25.

* * * * That for the advantage of the persons who are participators in the above-mentioned obligations or bonds of participation, a certain number of obligations or bonds, each of 1,000 guilders, yielding likewise an interest of four in the hundred in the year, shall be distributed at the undermentioned periods, as premiums to the bearers of such numbers as shall have a right and be entitled thereto by a drawing, which is to be three months before, and in the presence of a notary public and witnesses.

FIRST OF FEBRUARY.

	Capital.		Capital.
1785, 50 obligations in all	50,000	1793, 100 obligations in all	100,000
1787, 60 obligations in all	60,000	1795, 120 obligations in all	120,000
1789, 70 obligations in all	70,000	1797, 200 obligations in all	200,000
1791, 90 obligations in all	90,000		

That the obligations or bonds arising from this drawing shall be likewise signed by Messrs. Wilhelm & Jan Willink, Nicholas & Jacob van Staphorst, and De la Lande & Fynje, or the successors of the said gentlemen for the time being, and duly attested by a notary, unless the United States of America might choose to pay off and discharge, in ready money, the premiums thus drawn six months after the drawing, to do which the honorable appearer by these presents reserves the liberty for the above-mentioned States of America. That the redeeming of the above-mentioned obligations or bonds of participation, as also of the premiums falling thereto in consequence of a drawing to be done annually, in the presence of a notary public and witnesses, shall be accomplished at the following periods:

On the 1st of February, 1801, shall be redeemed	250,000	
With the obligations distributed anno 1785	50,000	
		300,000
With a gratification at 4 per cent		12,000
On the 1st of February, 1802, shall be redeemed	250,000	
With the obligations distributed in 1787	60,000	
		310,000
With a gratification of 5 per cent		15,500

* Adams' Works, vol. viii, p. 171.

On the 1st of February, 1803, shall be redeemed	250,000	
With the obligations distributed in 1789	70,000	
		320,000
With a gratification of 6 per cent		19,200
On the 1st of February, 1804, shall be redeemed	250,000	
With the obligations distributed in 1791	90,000	
		340,000
With a gratification of 7 per cent		23,800
On the 1st of February, 1805, shall be redeemed	250,000	
With the obligations distributed in 1793	100,000	
		350,000
With a gratification of 8 per cent		28,000
On the 1st of February, 1806, shall be redeemed	250,000	
With the obligations distributed in 1795	120,000	
		370,000
With a gratification of 9 per cent		33,300
On the 1st of February, 1807, shall be redeemed	500,000	
And the obligations distributed in 1797	200,000	
		700,000
With a gratification of 10 per cent		70,000

That for the payment of the yearly interest, and the redeemings or liquidations to be done in consequence of the above-mentioned drawing, of which a due publication shall be made by advertisement in the public newspapers, the honorable appearer, in his aforesaid quality, and thus in the name of the United States of America, promises and engages to remit the necessary moneys thereto, to the above-mentioned gentlemen, Messrs. Wilhelm & Jan Willink, Nicolas & Jacob van Staphorst, and De la Lande & Fynje, and their successors, in good bills of exchange, products of America, or in ready money, without any abatement or deduction. * * *

This contract was signed in Amsterdam, March 9, 1874, and confirmed by Congress February 1, 1785, "at the city hall in New York." The United States by its terms were, for a principal of 2,000,000 guilders received, to return 2,891,800.

Mr. Adams thought the contract involved an enormous sacrifice, and expresses the fear that he "should be blamed by numbers of persons". He wrote to Benjamin Franklin before concluding the bargain that he despaired of obtaining the money "without agreeing to terms so disadvantageous as to be little better than the final protest of the bills". It is possible, in view of the distress he manifested at the time, that he had not submitted the terms and his fears to the calm logic of arithmetic. Computations show that if the United States cashed the obligations distributed by lottery within six months after the drawing, as they had the privilege of doing, and, as they actually did, the 4 per cent. interest on the loan, *with bonus and gratifications added*, amounted to less than 6¾ per cent. annual interest. He had expressed himself as willing and had been authorized by Congress to pay 6 per cent. interest; he was therefore sacrificing less than three-quarters of one per cent.

Benjamin Franklin, in commenting on the affair in one of his letters to Mr. Adams, says: "I hope these mischievous events will at length convince our people of the truth of what I long since wrote to them, that the *foundation of credit must be laid at home*," a golden maxim for all financiers, public and private.

The united firms were to receive on this loan, as on the five million loan, a commission of 4½ per cent. to cover all expenses. The money was raised in time to save the bills of exchange from being returned to the United States; in fact, more than 1,000,000 of guilders were received as an advance before the contract was signed; and the whole 2,000,000 were obtained within the year. It was all redeemed at the time and on the terms required by the contract.

HOLLAND LOAN OF 1787.

This loan appears to have been contracted in order to raise money with which to pay the interest on the previous loans in Holland, made in the years 1782 and 1784. The interest which had before fallen due had been paid, partly by remittances from America and partly by some portions of the amount received on the original loans. Although the experiment of issuing vast amounts of paper money had proved so disas[illegible] the policy of the government still ran in the same course, and a new emission of paper currency was [illegible] face, was redeemable by the different States, individually, but indorsed by the United S[illegible] of March 18, 1780, to be issued at a not greater rate than one dollar of the new for [illegible] idea of replacing an inconvertible and valueless paper currency by another issue of a s[illegible]ible and almost as valuelesss, was not a new one in finance. It is one of the regul[illegible] of paper money, as may yet be forcibly shown, when a financial Gibbon shall [illegible] and fall.

Such imposts and duties as the Continental Congress was able t[illegible] very independent states, were mostly paid in this new currency, w[illegible]

payment of debts due in foreign countries by Congress a difficult matter. Yet this new Continental currency must have circulated with some freedom at home; for a letter of Thomas Pinckney to John Adams, July 10, 1787, speaks of intelligence having been received of attempts to counterfeit it by bills printed in Great Britain. A currency worth counterfeiting is evidently considered of some value. No definite information as to the amount of this currency issued appears on the records. It circulated at a considerable discount, until after the adoption of the present Constitution, under the names of the "New emission" and "Continental bills of credit", and was partially redeemed by being received in subscriptions to the stocks which were created to fund the domestic debt. Hamilton, in his report on the public credit, January 14, 1790, estimated the unliquidated amount of the domestic debt, consisting "chiefly of the continental bills of credit", at $2,000,000.* In January, 1795, he stated the amount of these bills for which the United States were liable at $90,574.† ·

It was the financial difficulties experienced under the old system of government that, more than anything else, brought about the calling of the convention which, in 1787, framed the present Constitution of the United States. The Continental Congress possessed sufficient authority to carry on war, to make peace, to conclude treaties, and to carry on most of the functions of government; but to do all this required a revenue, and for this they were dependent on the will of the states. It was evident that such a system could not last. At the time Mr. Adams began the negotiations for the loan, delegates to the constitutional convention had been chosen in most of the states, and the convention was in session before the loan was completed.

The firms of W. & J. Willink and N. & J. van Staphorst, the bankers of the United States in Holland, finding that the money for the June interest on the debt of the United States was not likely to be forthcoming in time, proposed to John Adams, who was then minister to England, and was at the time in London, the raising of a loan to meet it, and forwarded to him, May 18, 1787, their definite proposals, as follows:‡

AMSTERDAM, *May* 18, 1787.

Agreeably to what we had the honor to acquaint your excellency the 15th instant, we have exerted ourselves to procure money for payment of the interest due the 1st proximo by the United States—a matter very difficult to be accomplished, as we had against us the late news from America, no immediate flattering prospects, and an excessive scarcity of money here at present. We have, however, been successful enough to persuade the undertakers to subscribe to a new loan for one million of florins, upon the following conditions:

One thousand bonds for one thousand guilders each, to be issued on the same conditions as the preceding loan of five per centum, the interest commencing the first of June.

Of which thousand bonds, two hundred and forty to be immediately negotiated to the subscribers; the one-half of their amount to be paid upon the delivery of the bonds; the undertakers reserving to themselves the faculty of taking one month's credit for payment of the remaining half.

The surplus seven hundred and sixty bonds are to remain in our custody, subject to be delivered to the undertakers, each one in proportion to his subscription, at the same rate of those actually negotiated; at the expiration of which period those on hand will be at the free disposal of Congress.

Congress shall not be at liberty to make any further money negotiations in this country until the surplus seven hundred and sixty bonds shall be placed, or before the end of the eighteen months they are to lie at the choice of the undertakers to purchase them.

Such are the best conditions we have been able to obtain; and, although the money will cost the United States eight per cent., including premium, our commission, brokerage, and charges, we deem ourselves fortunate to have been thus able to face the June interest—an object your excellency justly views of the highest importance to the credit and interest of the United States.

By this arrangement we shall be obliged to advance part of the interest until the undertakers shall have completed payment for the engaged bonds, upon which advances we do not doubt the United States will most readily admit our charges of interest.

We endeavored all in our power that the money should be received by us in *récépissés*, and thus leave you the time to visit this country at your convenience to pass the bonds; but the undertakers have insisted, as an absolute condition, that they should be liable to pay only on receipt of the bonds signed and perfected by you, so that there is an indispensable necessity for your excellency's setting out for this country, with the full power you have from Congress, by the packet which will leave Harwich next Wednesday, or at latest on Saturday the 26th instant, when we will have everything ready, that your excellency may be able to return by the next or following packet.

We request your excellency to be assured nothing in our power was left untried to spare you this jaunt so suddenly, but, since the payment of the June interest entirely depends upon this exertion of your excellency, we are confident it will be undertaken with alacrity; and, upon this conviction, we have assumed to advertise the payment of the interest on the first of June, which is in all our newspapers of this day.

We are respectfully, &c.,

WILHELM AND JAN WILLINK.
NIC. AND JACOB VAN STAPHORST.

Mr. Adams held full powers to raise loans in Holland within the limit of $10,000,000, under the authorizing act of October 26, 1779, and the commission issued to him by Congress. He agreed to the terms, but asked Congress to confirm them, which was done. He wrote to the Secretary of State, Mr. Jay, June 16, 1787:§

Inclosed is a copy of the translation from the Dutch into English of the contract entered into by me in behalf of the United States, by virtue of their full power, for a million of guilders. This measure became absolutely necessary to prevent the total ruin of their credit and the greatest injustice to their former creditors, who are possessed of their obligations; for the failure in payment of t interest but for one day would, in Holland, cause these obligations to depreciate in value like paper money.

It is of great importance that this contract should receive a prompt ratification in Congress, and be retransmitted to Amsterdam soon as possible. Whether this loan may not enable Congress or their board of treasury to raise the credit of their own paper at h in some degree, is for them to consider, and whether the board of treasury may not purchase produce to advantage and contract to h it delivered free of all risks and charges at Amsterdam, and pay for it in bills of exchange, I know not.

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*American State Papers, "Finance," vol. i, p. 19.
†Annals of Congress, 1795, Appendix, p. 1349.
‡Adams' Works, vol. viii, p. 440.
§Ibid, p. 441.

The shipment of American produce under the authority of Congress, to meet demands in Europe, appears to have been a favorite idea among the American agents abroad, and had often been acted on, large amounts of tobacco, &c., having been sent to Beaumarchais and others. It was continued by the new government after the adoption of the Constitution of 1787, and extended to the purchase of cargoes of coffee and sugar. The contract for this loan, as confirmed by Congress, October 11, 1787, will be found in Journals of Congress, vol. iv, Appendix, p. 27. By its terms the loan was to run for ten years, at 5 per cent. per annum interest, then to be redeemable in five equal annual payments. It would appear from the letter of Willink and others that the United States received but 92 guilders for each 100 of obligations, as they state the amount of expenses at 8 per cent. It was all redeemed as provided for in the contract. The firm of De la Lande & Fynje who had been concerned in the previous loans had nothing to do with this; before the negotiations commenced, they had failed, owing the United States a considerable sum, only a part of which was recovered.

HOLLAND LOAN OF 1788.

This loan was negotiated to meet the expenses of the United States in Europe, and to afford a financial basis on which to start the new government at home. The new Constitution was to go into operation when ratified by nine states. Some of the states voted to accept it in 1787, but the vote of the ninth state, New Hampshire, was not secured until July, 1788. It was known in Europe, however, early in that year, that it would be ratified, and as the Continental Congress was utterly without funds to turn over to its successors, money must be provided in some way.

Thomas Jefferson was then minister of the United States at the court of Versailles, and with Mr. Adams, then about to return to America, conducted the negotiations. His account of the affair leaves little to be desired to make the matter clear.

"Among the debilities of the government of the Confederation, no one was more distinguished or more distressing than the utter impossibility of obtaining, from the states, the moneys necessary for the payment of debts, or even for the ordinary expenses of the government. Some contributed a little, some less, and some nothing; and the last furnished at length an excuse for the first to do nothing also. Mr. Adams, while residing at the Hague, had a general authority to borrow what sums might be requisite for ordinary and necessary expenses. Interest on the public debt and the maintenance of the diplomatic establishment in Europe had been habitually provided in this way. He was now elected Vice-president of the United States, was soon to return to America, and had referred our bankers to me for future counsel on our affairs in their hands. But I had no powers, no instructions, no means, and no familiarity with the subject. It had always been exclusively under his management, except as to occasional and partial deposits in the hands of Mr. Grand, banker in Paris, for special and local purposes. These last had been exhausted for some time, and I had frequently pressed the treasury board to replenish this particular deposit, as Mr. Grand now refused to make further advances. They answered candidly that no funds could be obtained until the new government should get into action and have time to make its arrangements. Mr. Adams had received his appointment to the court of London while engaged at Paris, with Dr. Franklin and myself, in the negotiations under our joint commissions. He had repaired thence to London without returning to the Hague to take leave of that government. He thought it necessary, however, to do so now before he should leave Europe, and accordingly went there. I learned his departure from London by a letter from Mrs. Adams, received on the very day on which he would arrive at the Hague. A consultation with him, and some provision for the future, was indispensable while we could yet avail ourselves of his powers, for when they would be gone we should be without resource. I was daily dunned by a company who had formerly made a small loan to the United States, the principal of which was now become due, and our bankers in Amsterdam had notified me that the interest on our general debt would be expected in June; that if we failed to pay it it would be deemed an act of bankruptcy, and would effectually destroy the credit of the United States and all future prospect of obtaining money there; that the loan they had been authorized to open, of which a third only was filled, had now ceased to get forward, and rendered desperate that hope of resource. I saw that there was not a moment to lose, and set out for the Hague on the second morning after receiving the information of Mr. Adams' journey. I went the direct road by Louvres, Senlis, Roye, Pont St. Maxence, Bois le Duc, Gournay, Peronne, Cambray, Bouchain, Valenciennes, Mons, Bruxelles, Malines, Antwerp, Mordick, and Rotterdam, to the Hague, where I happily found Mr. Adams. He concurred with me at once in opinion that something must be done, and that we ought to risk ourselves on doing it without instructions, to save the credit of the United States. We forcsaw that before the new government could be adopted, assembled, establish its financial system, get the money into the treasury, and place it in Europe, considerable time would elapse; that therefore we had better provide at once for the years '88, '89, and '90, in order to place our government at its ease and our credit in security during that trying interval. We set out, therefore, by the way of Leyden, for Amsterdam, where we arrived on the 10th. I had prepared an estimate, showing that:

	Florins.	
There would be necessary for the year '88	531,937	10 0
'89	538,540	0 0
'90	473,540	0 0
Total	1,544,017	10 0
	Florins.	
To meet this, the bankers had in hand	79,268	2 8
And the unsold bonds would yield	542,800	0 0
	622,068	2 8
Leaving a deficit of	921,949	7 4
We proposed then to borrow a [illegible]	920,000	0 0
Which would leave a small [illegible]	1,949	7 4

Mr. Adams accordingly executed [illegible] funds of our bankers, with instructions, however, not to issue them until [illegible] London, and I set out for Paris; and as nothing urgent forbade it, I deter[illegible] thence strike off to Paris. * * *

There is one error in the above, apparently an error of memory. Mr. Jefferson speaks of Mr. Adams as *having been elected Vice-president.* The time of which he speaks is March or April, 1788. But the election for President and Vice-president had not then taken place; in fact, did not take place until January, 1789; and its result was unknown, even to Mr. Adams, until March of that year, as the following letter shows:*

NEW YORK, *March* 4, 1789.

MY DEAR FRIEND: I find, on inquiry, that you are elected Vice-president, having three or four times the number of votes of any other candidate. Maryland threw away their votes on Colonel Harrison, and South Carolina on Governor Rutledge, being, with some other States which were not unanimous for you, apprehensive that this was a necessary step to prevent your election to the chair. In this point they were mistaken, for the President, as I am informed from pretty good authority, has a unanimous vote. It is the universal wish of all that I have conferred with, and, indeed, their expectation, that both General Washington and yourself will accept, and should either refuse, it will have a very disagreeable effect. The members present met to day in the city hall; there being about eleven senators and thirteen representatives, and not constituting a quorum in either house, they adjourned till to-morrow.

Mrs. Gerry and the ladies join me in sincere regards to yourself, your lady, Colonel and Mrs. Smith; and be assured I remain, &c.

E. GERRY.

His election to the office of Vice-president in 1789 certainly was not the cause of Mr. Adams leaving Europe early in 1788. The contract for this loan, as ratified by Congress, provided that the sum of 1,000,000 guilders should be loaned to the United States for ten years, at 5 per cent. per annum, then to be redeemable in five equal annual payments of 200,000 guilders each, and the United States were to have the option of redeeming either by bills of exchange, American products, or ready money.† The amount of discount and expenses paid by the United States does not appear.

HOLLAND LOAN OF 1790.

The government of the United States, under the present Constitution, went into operation April 30, 1789. The first Wednesday in March, which in that year occurred on the fourth of the month, had been fixed, by an act of the Continental Congress, as the day for its commencement, but it was found impossible to get the members of Congress together in time. "The impotence of the late government, added to the dilatoriness inseparable from its perplexed mode of proceeding on the public business, and its continued session, had produced among the members of Congress such a habitual disregard of punctuality in their attendance on that body that, although the new government was to commence operations on the fourth of March, 1789, a House of Representatives was not formed until the first, nor a Senate until the sixth, of April."‡ Soon after the organization of the two houses the votes for President and Vice-president were counted. General Washington's election was officially announced to him at Mount Vernon on the 14th of April. He reached the city of New York, then the seat of government, on the 23d and was inaugurated on the 30th. John Adams appears to have been previously inaugurated Vice-president, as he was presiding in the Senate on the 21st of March, though there was then no quorum present.

Probably no new government ever started with more discouraging financial prospects. There was a debt of untold millions to be provided for, while there was not a dollar on hand even to meet current expenses. Means of raising revenue from an exhausted and impoverished country had yet to be devised, and these means, when invented, could not produce anything for months. There was no treasury department, and nothing to put in a treasury if one had existed. The board of treasury, instituted by the Continental Congress, appears to have been still in office, as they were called on by General Washington, in June, 1789, for a statement of their accounts, but they had no funds, and had issued warrants, in anticipation of future revenues, for over $140,000, which were afterward paid by the new government. The Treasury Department was created by act of Congress of September 2, 1789, Alexander Hamilton being appointed Secretary and Samuel Meredith treasurer. An act laying duties on importations was approved July 4, 1789, but no revenue was obtained under this act until September 29, when about $13,000 was received. As the only means of meeting current expenses, the Secretary negotiated temporary loans from the Bank of New York and Bank of North America, obtaining in this manner, in September and October, $140,000. This money was nearly all expended in paying the salaries of the President and Vice-president and the compensation of members of Congress.

The first payment from the new treasury was made September 26, 1789, and was the sum of $1,000 to George Washington on account of his salary as President of the United States. The accounts show that General Washington received, from September 26, 1789, to December 27, 1791, on account of his salary as President, the sum of $72,150, and up to March 4, 1797, when his term expired, a total of $196,121 on this account. He did not receive the full sum of $200,000, because his term of office fell short of eight years.

The expenditures for the year 1789 were estimated by a committee of the House of Representatives at $8,285,603$\frac{17}{90}$, but the greater portion of this was for principal and interest due on the foreign and domestic debt, the current expenses of the year being estimated at but $630,101$\frac{11}{90}$. The committee said that they were unable, from want of sufficient data, to make an approximate estimate of the revenue which would be realized. It was evident, however, that, while the government was supported principally by temporary loans, it would be impolitic to attempt a reduction of the debt, and no payments on it were made during the year 1789, except the interest on the money borrowed in Holland.

* Adams' Works, vol. viii, p. 484. † Journals of Congress, vol. iv, Appendix, p. 61. ‡ Marshall's Life of Washington, v

"An act making provision for the debt of the United States" was approved August 4, 1790 (1 Statutes, 138). This act provided that the surplus of customs and tonnage duties above the sum of $600,000 should be applied to the payment of the interest and the reduction of the principal of the foreign debt, and authorized the President to borrow, on the credit of the United States, a sum not exceeding $12,000,000, to be devoted to paying interest, arrears, and installments on the foreign debt, and to paying off the whole of it, if it could be effected on terms advantageous to the United States.

"An act making provision for the reduction of the public debt" was approved August 12, 1790 (1 Statutes, 186), by which the President was authorized to borrow, on behalf of the United States, a sum not exceeding $2,000,000, at an interest not exceeding 5 per cent., the money so borrowed to be applied to the purchase of the debt of the United States. These purchases were directed to be made under the direction of the president of the Senate, the Chief Justice, the Secretary of State, the Secretary of the Treasury, and the Attorney General, for the time being, any three of whom were authorized to cause such purchases to be made.

Under these acts the Secretary of the Treasury, Alexander Hamilton, authorized the houses of W. & J. Willink, N. & J. van Staphorst, and Hubbard to open negotiations for a loan of three million florins or guilders ($1,200,000), giving them authority to pledge the good faith of the United States for the payment of the interest and the repayment of the principal. The contract for the money has never been printed, but a translation of the original is to be found among the "Washington Papers" in the Department of State. It is dated November 12, 1790. It provided that the loan should be reimbursable within fourteen years, in five annual payments of 600,000 guilders each, the first payment to be made February 1, 1800, and on that day annually until paid.

Three thousand bonds or obligations of the United States, for one thousand guilders each, were to be issued, and in the December preceding each annual payment the numbers of six hundred of these were to be drawn by lot, in the presence of a notary, the numbers so drawn to be reimbursed in the following February. Coupons for the annual interest at 5 per cent. per annum were to be attached to each bond. For commission and all expenses connected with the loan the United States were to pay 4½ per cent. on the principal.

HOLLAND LOAN OF MARCH, 1791.

This loan, like the previous one, was contracted under the authority given by the acts of August 4 and 12, 1790. The Secretary of the Treasury, September 1, 1790, by direction of the President, authorized William Short, then chargé d'affaires at Paris, to proceed to Amsterdam and endeavor to effect a second loan under these acts. Mr. Short's instructions will be found in Hamilton's Works, vol. iv, p. 38. They were to the effect that he should borrow for the United States, on the best terms practicable, such sums as would be necessary to discharge the interest and such installments of the foreign debt as became due during the year 1791; to employ the houses of Willinks and the Van Staphorsts unless doubt should be entertained of their stability and influence in the money market, and to endeavor to reduce the amount of commissions below that which the United States had paid on previous loans. Mr. Short found no reason to discontinue the financial relations of the United States with the firms mentioned. He met with much difficulty in his efforts to reduce the amount of commissions to be paid, the bankers representing that but one power in the world, Austria, had obtained more favorable terms than the United States, and even in her case the difference was but one-half of one per cent. After some negotiation, however, the commission and brokerage were reduced to 4 per cent. It was determined to open a loan for two and a half million of guilders ($1,000,000), at 5 per cent. interest, the reimbursement to begin in ten years and to be completed in five, the United States to have the right to reimburse the whole at an earlier period if deemed proper.

The brokers, however, when consulted about the time for opening the loan, thought it an unfavorable moment for making loans in general, and especially for the United States, because their 5 per cent. loans were below par already, owing to many people selling these loans in order to place their funds in those made by the "liquidated debt" of the United States, which bore a higher rate of interest. They therefore advised postponing the opening of the loan until the following February, when it was thought there would be a better state of things in the money market. This was accordingly done. The loan was brought on the market February 15, 1791, and was all taken up within two hours after being published on the exchange—a celerity of which there had been no instance before in the loans for any country. The credit of the United States stood high in Holland.

A translation of the original contract, as confirmed by the [illegible] among the "Washington Papers" in the Department of State. It provided that the loan should [illegible] per cent. interest, then to be redeemable in the city of Amsterdam, on the 1st day of [illegible] the rate of 500,000 guilders per annum, the United States to have the privilege of [illegible] thereof at any earlier date if they should wish so to do.

Two thousand five hundred bonds of the [illegible] to be issued to the subscribers to the loan, and it was to be det[illegible] to any one year.

Redemption of this loan began March [illegible] than the time fixed in the contract, the United States having [illegible]

HOLLAND LOAN OF SEPTEMBER, 1791.

Shortly after receiving notice of the successful negotiation of the loan for 2,500,000 guilders of March, 1791, Mr. Hamilton authorized the opening of a third loan under the enabling acts of August 4 and 12, 1790. His first idea was to open one for 3,000,000 guilders, and in a letter to William Short, who had negotiated the previous loan, and who was soon after appointed minister at the Hague, he limits him to that amount. Mr. Short, however, represented to him that there were times when large sums might be borrowed in Holland with facility, while at other times it was difficult to obtain small ones, and that, as a large amount was needed, it would be well to take advantage of these favorable moments for procuring it. His letter was submitted to the President, who thought it expedient to remove the restrictions as to the amount, and to authorize Mr. Short "to open, at his discretion, loans for the United States at such times and places as he might find advisable, within the limitations of the respective laws authorizing these loans".*

Hamilton transmitted the instructions of the President to Mr. Short, adding the qualification that: "With regard to such parts of the principal of our foreign debt as will not fall due till after the year 1792, no loan is to be opened which will cost the United States, in interest and charges, more than 4½ per cent. on the sum actually received by them. This restriction is founded on an expectation of being able, ere that period arrives, to borrow money within that limit."*

Mr. Short accordingly opened a loan for 6,000,000 guilders ($2,400,000), at 5 per cent., during the summer of 1791, and the money appears to have been obtained without difficulty. No copy of the contract is now to be found. It appears to have been a loan running for ten years, then to be redeemable in five equal annual payments of 1,200,000 guilders each. The charges for commission and brokerage were 4 per cent. The reimbursement began in 1802 and was completed in 1805.

ANTWERP LOAN OF 1791.

The idea of opening negotiations for a loan at Antwerp appears to have been first suggested by Gouverneur Morris, minister of the United States to the Revolutionary government at Paris. In his letter to the Secretary of the Treasury dated August 17, 1792, he says:

> I formerly recommended to Mr. Short the opening of a loan at Antwerp, and it was attended with the best effects, for the capitalists of Amsterdam, who had shortly before induced our commissioners to believe that money could not be obtained there under 5 per cent., shortly after let us have it at 4 per cent. This I was sure would happen, for I had been in Holland, had studied the character of the money-lending people, and made myself acquainted with the manner of transacting business.

Before the subscriptions were concluded it was found that money was obtainable at lower rates, and a portion of the loan (950,000 guilders) was withdrawn from market.

The money obtained was remitted to France for the purpose of paying installments due on the debt to the government of that country. The redemption of this loan was, by contract, to have commenced December 1, 1802; but, although the money was ready, owing to some misapprehension on the part of the banker, was paid only May 1, 1803,† causing a loss to the United States of five months' interest. The redemption was completed in 1805, the United States using the option reserved so far as to anticipate the last payment. The American bankers in this transaction at Antwerp were Messrs. C. J. M. De Wolf & Co., and they remained the financial agents of the United States in that city until the death of Mr. De Wolf, in 1806. A copy of the contract for this loan was obtained by the writer in Antwerp in 1874, and its intrinsic value, together with the fact that it has never before appeared in print, is sufficient to warrant its insertion.

Copy of the Contract for the Antwerp loan of 1791.

[Translated from the Flemish.]

This thirtieth day of November, seventeen hundred and ninety-one, before me, John Gerard Deelen, public notary, duly appointed by the sovereign council of Brabant, residing at Antwerp, and in presence of the witnesses named hereinafter, personally appeared William Short, esquire, "chargé d'affaires" of the United States of America at the court of France, known by the witnesses as being appointed, by virtue of a warrant of the first of September, of the year seventeen hundred and ninety, by Alexander Hamilton, Secretary of State for the treasury of the United States of America, authorized to this effect by an "act of substitution" of the twenty-eighth of August, of the same year, seventeen hundred and ninety, by his excellency George Washington, President of the United States, duly empowered by two acts of Congress of the fourth and twelfth of August, seventeen hundred and ninety, to raise in some part of Europe a certain limited sum of money, and to conclude for that purpose any contracts or engagements as he may deem necessary, but in accordance with the documents deposited at the office of C. J. M. De Wolf, banker, of this town, and where they are to remain for the inspection of the money lenders. The appearer, by virtue of his above-mentioned commission, declares to owe to several persons, for account of the United States of America, a sum of three millions of florins of Brabant exchange money, received by him in his aforesaid capacity, in ready money, conformably to the receipts attached to the bonds mentioned hereinafter, each of one thousand florins of Brabant exchange money. The appearer, in his above-said capacity, promises to repay, free of expense, to the above-mentioned persons, or to the future holders of their bonds, the aforesaid sum of three millions of florins of Brabant exchange money, in this town of Antwerp, at the office of C. J. M. De Wolf, within fifteen years after the first of December, seventeen hundred and ninety-one, according to the conditions and terms stipulated hereinafter.

The aforesaid sum of three millions of florins cannot be reclaimed during eleven years after the first of December, seventeen hundred and ninety-one; but at the expiration of that period the sum of six hundred thousand florins, Brabant exchange money, shall be repaid,

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* Hamilton's Works, vol. iv, p. 168.

† American State Papers, "Finance," vol. ii, p. 123.

and a similar sum at the same date of every successive year, in such a manner that the whole debt of three millions of florins shall be entirely discharged at the expiration of the fifteenth year.

The United States of America have, however, the right to repay sooner the whole sum or a part of it, but always in bonds of one thousand florins exchange money. In the mean time an annual interest of four and a half per cent. shall be paid for the aforesaid capital from the first of December, seventeen hundred and ninety-one, until the entire repayment of it, against "coupons" signed by Mr. Gouy, clerk in the office of C. J. M. De Wolf, or by those holders of bonds who may have preferred to have them made out in their own name.

The series of six hundred successive numbers, which after the expiration of eleven years are to be repaid yearly, shall each time be decided by drawings by lot in presence of the undersigned notary and witnesses, at the office of C. J. M. De Wolf, of this town, where the reimbursements shall be effected, together with the interest, at a date to be announced in the public newspapers.

The appearer, in his aforesaid capacity, declares that C. J. M. De Wolf, banker, of this town, is the director of the present negotiation, and promises in the name of his constituents that the amount of the annual interest, as well as the partial repayments, shall be yearly remitted to him without any expense to the money lenders. He further declares, in the name of his constituents, that neither the present loan of three millions of florins, Brabant exchange money, nor any part of it, shall ever be subject to any tax or duty already imposed or which may be imposed at any future period by the United States, or some of them, not even if a war or contest should break out between the United States, or some of them, on the one side, and the sovereign of these Belgian provinces on the other side, so that the repayment neither of the present capital nor of the interest can ever be interrupted or delayed under any pretext whatever.

The aforesaid appearer, in his above-mentioned capacity, and in the name of the United States of America, promises and binds himself that neither by them, nor in their name, nor by any of them, any covenant or treaty—private or public—shall be made which might be prejudicial to the validity or fulfillment of the present contract, or which might contain a clause at variance with its contents; so that the present contract will have its full effect without any exception, whatever may occur.

Moreover, for the sake of increasing the security, the appearer, in his above-mentioned capacity, promises and binds himself that the present contract shall be ratified as soon as possible by his excellency the President of the United States of America, and that an authentic copy of this ratification, as well as the translation of the original, shall be deposited at the office of the aforesaid director of the present negotiation, to remain there, together with the authentic copies of the translations, commissions, and warrants of the appearer, until the repayment of the capital and interest.

The appearer, in his above-mentioned capacity, consents that a number of three thousand copies of this contract shall be printed, each of which containing at foot a receipt of one thousand florins, Brabant exchange money, with a name or in blank, at the option of the money lenders, signed by the appearer, numbered from one to three thousand, and countersigned by C. J. M. De Wolf, for the sake of certifying that the number of partial contracts issued by virtue of this consent does not exceed that of three thousand. These partial contracts, with their receipts thereto attached, must be returned by the holders against repayment.

For the fulfillment of the premises the appearer, in his above-mentioned capacity, pledges the good faith of the United States of America; warrants everything contained in the acts of the Congress of the fourth and twelfth of August, seventeen hundred and ninety, and expressly renounces ever to take advantage of the law "*Duobus vel pluribus reis debendi*", as well as of the law "*Ordinis Divisionis, Excussionis*", of which the effects are known to him, and of which he promises never to avail himself.

The present contract was signed after a French translation had been made of it, to serve as a duplicate, which the appearer has likewise signed and deposited with me, the notary at Antwerp, in the presence of John A. Lanckpaep and John van Ouwenhuyzen as witnesses.

W. SHORT.
JEAN A. LANCKPAEP.
J. VAN OUWENHUYZEN.
JOANS. G. DEELEN,
Notary.

I, the undersigned, certify that the above is a true and genuine copy delivered by Alphonse Balthasar Pauwels, notary at Antwerp, and custodian of the deeds of the above-named Deelen, notary ———.

Antwerp, (7th) seventh November, eighteen hundred and seventy-four.

ALPHONSE PAUWELS.

Seen for legalization of the above signature of Mr. Pauwels in his above stated capacity.
Antwerp, ninth November, eighteen hundred and seventy-four.
For the president of the civil court of justice:

ALFRED BERRE.

Seen for the legalization of the signature of Alfred Berre, given this tenth day of November, eighteen hundred and seventy-four.

ERNST FUCHS,
United States Vice-Consul.

I, the undersigned, certify that the above is a true and faithful translation.
Antwerp, 17th November, 1874.
[SEAL.]

C. F. JAEGER,
Sworn Translator.

Vu par nous, président du tribunal de 1re instance, séant à Anvers, pour légalisation de la signature de M. Jaeger, qualifié ci-dessus.
Anvers, 19 November, 1874.
[SEAL.]

TH. SMEKINS.

Seen for the legalization of the signature of Mr. Th. Smekins.
Given under my hand and the seal of this consulate the day and year above written.
[SEAL.]

ERNST FUCHS,
U. S. Vice-Consul.

HOLLAND LOAN OF DECEMBER, 1791.

The information respecting this loan is very scanty. It was negotiated in Holland under the authorizing acts of August 4 and 12, 1790, by Mr. Short. Finding that money could be obtained cheaper in Holland, he withdrew a portion of the Antwerp loan from market and opened a loan of 3,000,000 guilders ($1,200,000) in Amsterdam. He obtained the money at a lower rate of interest but a higher commission. It appears to have been negotiated to run for twelve years, at 4 per cent. interest, then to be redeemable in five equal annual payments of 600,000 guilders each. The charges for commission, brokerage, &c., were 5½ per cent. W. & J. Willinks, N. & J. van Staphorst, and Hubbard were the bankers employed in the transaction. The redemption commenced in 1803 and was completed in 1807.

HOLLAND LOAN OF 1792.

The instructions to borrow this money are contained in the following letter from the Secretary of the Treasury, Alexander Hamilton, to Mr. Short:*

TREASURY DEPARTMENT, *March* 21, 1792.

SIR: As the discharge of the arrears of interest and installments of the principal of the French debt, which are due, may have occasioned your power to borrow for that object to be suspended until you can obtain a loan at a rate of interest and charges sufficiently reduced, it is my wish that as soon as it shall be proper, after the receipt of this letter, you would proceed to borrow the sum of three millions of florins, on the terms of the Antwerp loan, to be applied to the purposes mentioned in the act of the 12th of August, 1790, for the reduction of the public debt.

I shall wish for the earliest advices upon this subject to enable me to direct the drafts, and I request your particular attention so to manage the operation that no loss of interest which can be avoided may take place.

The purposes mentioned in the act of the 12th of August, 1790, were the purchase of the debt of the United States (the domestic debt) at its market price, not exceeding par.

Mr. Short appears to have found no difficulty in obtaining the money on favorable terms.

A copy of the contract is not now to be found, but it was drawn for three millions of guilders ($1,200,000), at 4 per cent. interest, to run for eleven years, then to be redeemable in five equal annual payments of 600,000 guilders each. The commission and charges amounted to 5 per cent, with an additional charge of 1 per cent. on the interest received and paid. For some reason, which does not appear, the subscriptions to this loan were closed at 2,950,000 guilders. Its redemption began in 1803 and was completed in 1807.

HOLLAND LOAN OF 1793.

This money appears to have been the first installment due on the loan of five million guilders obtained by the Continental Congress in Holland in the year 1782. Mr. Hamilton proposed, in order to meet this and other payments, to obtain a new loan of five million guilders, but as it was found impossible to effect the arrangements in time, the bankers of the United States either furnished the money themselves, or obtained from the holders of the stock a reloan or continuation of the amount for ten years at the same rate of interest. The following letter from Mr. Hamilton appears to have been the authority under which the affair was transacted by the bankers, though it was written principally in reference to a subsequent transaction:†

Hamilton to Messrs. W. & J. Willink, N. & G. Van Staphorst, and Hubbard, Bankers, Amsterdam.

TREASURY DEPARTMENT, PHILADELPHIA, *March* 15, 1793.

GENTLEMEN: I received, two days since, the letter which you did me the honor to write me of the 14th of January last, inclosing the copy of one of the same date to Mr. Short.

I regret the state of things as there exhibited; and my regret will be increased, if circumstances shall have rendered it necessary to allow the high rate of 5 per cent. for the contemplated loan. I hope, nevertheless, a better issue from your zeal and intelligent exertions; and, in time to come, every effort must be made here to avoid a like necessity. If the thing were still in my power, I should decline the loan altogether.

Lest a disappointment should attend the obtaining of a loan, I have taken measures to arrest, in your hands, 495,000 guilders of the sum which I last advised you would be drawn for. The sale having been made to the Bank of the United States, has left this expedient in my power. I shall, in addition to this, cause to be remitted to you, between this time and the third of next month—when the British packet sails—the further sum of 975,000 guilders, in bills upon London and Amsterdam, unless I should, in the meantime, hear of a loan having been undertaken. I cannot doubt that it will be, at all events, in your power to make temporary arrangements to face the exigency, should any delays ensue which may prevent these means being in measure for the demand.

The means at their command were not sufficient and the reloan was made as the only practicable arrangement. It was to run for ten years, at 5 per cent. interest, then to be redeemable in one payment. The commission and charges amounted to 3½ per cent. It was reimbursed in the year 1803.

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*Hamilton's Works, vol. iv, p. 193. †Ibid., p. 346.

HOLLAND LOAN OF 1794.

It appears to have been determined, in the year 1793, to borrow an additional sum of five million guilders under the acts of August 4 and 12, 1790, the power to borrow conferred on the President by those acts not having been fully used, and money being needed to pay installments and interest on the foreign debt and to make purchases of the domestic debt under the acts constituting a sinking fund. At the same time it was probable that the United States might need large sums for military purposes, or at least to make preparations for war. There was a prospect at home of general hostilities with the Indians, on whose territory the white population was beginning to encroach, while abroad the French Revolution had set Europe in a blaze. France had already declared war against England, Russia, and Holland. It was possible that this war would involve, as it did, every nation in Europe, while it was doubtful if the United States would be able to preserve its neutrality. Hamilton submitted the question of a loan to the President, who, before deciding, required a statement of the operations of the treasury under the authorizing acts of 1790. Hamilton transmitted the statement June 24, 1793,* from which it appeared that there had been borrowed, under these acts, $7,546,666 64, leaving, still unused, authority to borrow the sum of $6,453,333 36. One of the purposes for which the money was wanted was the payment of a million guilders, due as an installment on the first loan contracted by the Continental Congress in Holland, but advices were soon received that this installment had been reloaned to the United States for another ten years. This reduced the amount required to four millions, which was subsequently cut down by Washington to three millions, as the rates of interest and charges asked for money in Holland had increased, while the prospect of war had become less. Hamilton's instructions to the bankers of the United States in Amsterdam are found in the following letter:†

Hamilton to W. & J. Willink, N. & J. Van Staphorst, and Hubbard, Bankers, Amsterdam.

TREASURY DEPARTMENT, *August* 12, 1793.

GENTLEMEN: I have lately the pleasure of your letters of the 22d of April and 1st of May. The last was particularly acceptable, as it removed all anxiety about the June payment in a mode quite satisfactory to me.

The low prices at which our stocks have been for some time past, owing to the state of affairs in Europe (which has tended to lower them in two ways, by lessening the foreign demand and by opening new channels for the more beneficial employment of our domestic capital), indicate the expediency of extending the purchases of stock on account of the government, which at present yields a very decided advantage.

Upon this ground it is judged advisable to endeavor to obtain a loan in Holland for three millions of florins, though better terms should not be obtainable than 5 per cent. interest and 4 per cent. charges.

Not expecting that Mr. Short will be in Holland when this letter reaches you, and having full confidence in your pure zeal for the interests of the United States, I have concluded to address an instruction for the above purpose immediately to you.

In the event, therefore, of Mr. Short's not being in Holland when this letter is received, you will take measures, of yourselves, to obtain a loan for the above sum, within the limit above specified.

I count, nevertheless, upon your zealous exertions, if the state of the market should possibly admit of it, to obtain the loan at a lower rate of interest. The success of your endeavors for that purpose will be particularly gratifying to me, and will be, in more than one way, useful to our affairs. It is important, too, that I should receive the earliest advice of what you shall do.

The inclosed letter for Mr. Short advises him of the present arrangement, and desires him to co-operate in whatever may be necessary to give the business due form.

With great and real consideration and esteem, I am, &c.

Under these instructions the Messrs. Willink, Van Staphorst, and Hubbard opened the loan about December 1, 1793, and obtained the money by August 31, 1794. The general war in Europe had raised the price of money, though it had a favorable effect on the credit of the United States as a neutral power in the great contest.

The formal contract for the money cannot now be found. It seems to have borne the date of April 10, 1794, and was for a loan of 3,000,000 guilders ($1,200,000), to run for eleven years at 5 per cent. interest, then to be redeemable in five equal annual payments of 600,000 guilders each. The charges for commission and brokerage were 4 per cent. Its redemption commenced in the year 1805 and was completed in 1809. This closes the account of the Holland loans. They amounted to 32,500,000 guilders ($13,000,000), of which 9,000,000 guilders were borrowed under the authority of the Continental Congress and 23,500,000 guilders ($9,400,000) by the present government of the United States, which began and completed the redemption of the whole.

A part of the redemption of these loans was effected in rather a singular way. Instead of buying bills of exchange and remitting them, the Secretary of the Treasury purchased cargoes of coffee and sugar, deliverable in Holland, paying the owners in this country. These cargoes were consigned to the bankers of the United States in Amsterdam, sold by them, and the net proceeds applied in the redemption of the debt. These shipments began in the year 1795 and continued until 1803 or 1804.

Of the $9,400,000 borrowed by the present government over $3,000,000 was paid into the treasury of the United States and used in buying up the domestic debt, under the operations of the sinking fund; the balance was used in paying the debt due Spain, debts due to foreign officers who had served in the armies of the Revolution, and a large portion in paying off a part of the debt due France. In connection with these payments to France, an

* Hamilton's Works, vol. iv. p. 466. † Ibid., p. 466.

interesting question arose. The French "assignats", as they were called, had depreciated enormously, yet they were a legal tender in France, and were receivable at the French treasury at par. It was suggested that it might be possible to wipe out the entire French debt by purchasing the assignats at their market price and paying them out in France at their nominal and legal value. The idea was a tempting one. The money borrowed in Holland had been raised with difficulty, part of it by heavy sacrifices, and to pay the interest and installments on these loans as they fell due was a heavy burden on a treasury sustained by loans and by the scanty revenues drawn from an impoverished country. To pay France in her own currency would have relieved the United States at once from the pressure of a large amount of foreign indebtedness. The proposition was rejected by the President, however, probably from the self-evident fact that, though legal, it was not honorable to take advantage of the miserable state of financial affairs in France. The President directed the secretary to make the payment "in a mode which will exempt the parties receiving from the loss attendant on the depreciation of the assignats, and, at the same time, occasion no loss to the United States". This was done, "giving to each creditor his option either to receive bills on Amsterdam, dollar for dollar, according to the *intrinsic par of the metals* at Paris and Amsterdam, or to receive an equivalent in assignats, according to the current rate of exchange between Paris and Holland at the time". The only profit received by the United States in the transaction was the gain on the rates of exchange between Paris and Amsterdam on payments in gold and silver.

DEBT DUE FOREIGN OFFICERS.

There were many foreign officers who fought in the armies of the Revolution. Of these, some were sent to this country by M. de Beaumarchais in the same vessels that brought cargoes of military supplies; but this statement does not apply to La Fayette, Steuben, Kosciusko, and others of high rank or of great military experience in the wars of Europe. These, and a large number whose achievements are forgotten, and of whose record nothing remains save what is found in the journals of the Continental Congress and the archives of the Treasury Department, through which they received pay for their services, reached the American armies by their own independent means. Several of these officers, however, had overestimated the reward they expected to receive, while others followed with equally high expectations, and in many cases with such extravagant promises made them as to cause serious trouble to Congress.

Native officers who had risen to high rank in the Revolutionary army were not inclined to be quietly superseded by foreigners. Among those who were sent over by Beaumarchais was M. du Coudray, who came under a contract, by which he was to receive the rank of major general, with the command of the artillery. But General Knox was in command of the artillery, and was one of Washington's most trusted officers. To take the command from him and give it to a foreigner ignorant of the language of the troops he was to command, would have caused the immediate resignation of Knox, and would have demoralized the service; while to decline to acknowledge a contract made by an American commissioner in Paris, would have caused great embarrassment, especially when the contracting party had come three thousand miles to claim its fulfillment. The question was postponed in Congress, Du Coudray consenting to serve as a volunteer with a nominal rank until a decision was made. Before it was formally settled he was accidentally drowned while crossing the Schuylkill river. Many of those who came over from Europe to seek commissions in the American army were men of high character, and their services have added luster to our military history.

The Continental Congress was unable, when the war closed, to pay the army in full, much difficulty being found in obtaining even enough money to send the soldiers to their places of enlistment. The foreign officers, so far as pay was concerned, probably fared rather better than the American soldiers, a strong effort being made to pay them as large a portion of the amount due them as possible; but to pay them in full, could not be done. An adjustment of their accounts was made in 1782, and a part of their demands was paid in cash. For the balance, certificates of indebtedness were given, bearing an interest of 6 per cent. These certificates, like all paper of the Continental Congress, depreciated rapidly in value, and in January, 1784, under a resolution of Congress, they were called in and new certificates were issued, dated "y^{e} 5th April, 1784", bearing interest at 6 per cent. from January 1, payable annually at the house of M. Grand, banker, in Paris. No time for the redemption of these certificates was named. The total amount of certificates or bonds issued was $186,988 78. Their redemption began in 1792 under instructions from the Secretary of the Treasury, who directed that a part of the Holland loan of 2,950,000 guilders should be used for that purpose, paying the holders of the bonds in gold or its equivalent, and not in the depreciated paper currency of France. In 1803 the larger portion had been reimbursed, but a small amount remained outstanding, not having been presented for payment. It was not until the year 1828 that all were redeemed.

The original bonds, which are all well preserved, were printed on parchment, and were the only bonds of the United States issued on this material.

TEMPORARY LOAN OF 1789.

On assuming the position of Secretary of the Treasury, Hamilton found himself entirely without funds to meet the ordinary expenses of the government, except by borrowing, until such time as the revenues from duties on imports and tonnage began to come into the treasury. Under these circumstances he was forced to make

arrangements with the Bank of New York and the Bank of North America for temporary loans, and it was the money received from these banks that paid the first installment of salary due President Washington, senators, representatives, and officers of Congress, during the first session under the Constitution, which began at the city of New York, March 4, 1789.

The following copy of a circular to the collector of customs at Baltimore, Maryland, refers to negotiations which had been recently made with the banks named:*

TREASURY DEPARTMENT, *September* 22, 1789.

SIR: In consequence of arrangements lately taken with the Bank of North America and the Bank of New York, for the accommodation of the government, I am to inform you that it is my desire that the notes of those banks, payable either on demand or at no longer period than thirty days after their respective dates, should be received in payment of the duties as equivalent to gold and silver, and that they will be received from you as such by the treasurer of the United States. This measure, beside the immediate accommodation to which it has reference, will facilitate remittances from the several States, without drawing away their specie—an advantage in every view important. I shall cause you shortly to be furnished with such indications of the genuine notes, as will serve to guard you against counterfeits, and shall direct the manner of remitting them. In the meantime, and until further orders, you will please to receive them, transmitting to me a weekly account of your receipts and payments. The treasurer of the United States will probably have occasion to draw upon you for part of the compensation for members of Congress from your state. These drafts you will also receive, in payment of the duties, or in exchange for any specie arising from them which shall have come to your hands.

I am, sir, your obedient servant,

ALEXANDER HAMILTON,
Secretary of the Treasury.

OTHO H. WILLIAMS, Esq.,
Collector of the Customs for Baltimore, Maryland.

The following is an extract from the report of the Secretary of the Treasury to the House of Representatives, dated March 1, 1790, transmitting additional estimates of appropriations required:†

As to the interest on loans for the current service: those which have been already made, were the result of necessity; they have been in great part satisfied, and the residue will shortly be reimbursed out of the product of the duties; but the interest, being an extra expenditure, requires an appropriation; and, as a further anticipation of the receipts into the treasury, to satisfy immediate demands upon it, will be unavoidable, it is necessary that this also should be provided for. Obvious considerations dictate the propriety, in future cases, of making previous provision, by law, for such loans as the public exigencies may call for, defining their extent, and giving special authority to make them.

The estimate is as follows:‡

For the payment of interest which has already arisen on the two loans made by the Secretary of the Treasury, viz:	
On $90,000 borrowed of the Bank of North America	$2,085 06
On $80,000 borrowed of the Bank of New York	1,934 82
	4,019 88
Deduct for interest arising on moneys paid into those banks, of the collectors of the duties on imports and tonnage, for the ports of Philadelphia, and New York, in part payment of the said loans	1,605 27
	2,414 61
Interest upon further loans which will be necessary for expenditures during the present year, before the receipts into the treasury, from the established revenues can become adequate to the demands upon it	2,585 39
	5,000 00

The loans referred to were contracted for as follows:

September 13, 1789, $20,000.—A loan agreed to be made by the Bank of New York to the Secretary of War, in pursuance of an appropriation made by an act of Congress of the 20th of August, 1789 (1 Statutes, 54).

This act provides: "That a sum not exceeding $20,000 arising from the duties on imports and tonnage, shall be, and the same is hereby, appropriated to defraying the expenses of negotiating and treating with the Indian tribes."

September 14, 1789, $30,000.—A loan agreed to be made by the Bank of New York to the United States, conformably to certain articles of agreement of the same date.

September 21, 1789, $50,000.—A loan agreed to be made by the Bank of North America to the United States, conformably to certain articles of agreement of September 17.

October 1, 1789, $20,000.—A loan agreed to be made by the Bank of New York to the United States, conformably to certain articles of agreement of October 1.

October 10, 1789, $20,000.—A loan agreed to be made by the Bank of North America to the United States conformably to certain articles of agreement of October 10.

December 1, 1789, $10,000.—A loan this day agreed to be made by the Bank of New York to the United States.

December 2, 1789, $20,000.—A loan agreed to be made by the Bank of North America, conformably to articles of agreement of November 30, and $8 81 for an overcharge in their interest account.§

December 2, 1789, $1,600.—For a warrant (No. 6) drawn by the Secretary of the Treasury on Joseph Howell, jr., paymaster general, in favor of the treasurer, being for the present service of the public.

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*Hamilton's Works, vol. iii, p. 537.
†American State Papers, "Finance," vol. i, p. 38.
‡Ibid., p. 42.
§Receipts and expenditures, 1789–'91, p. 45.

February 17, 1790, $20,000.—Being in part of a loan of $50,000, agreed to be made by the Bank of New York to the United States, conformably to certain articles of agreement of the same date.

These loans were all repaid according to contract, the final payment being made June 8, 1790.

TEMPORARY LOAN OF 1790.

The seventh section of the act of March 26, 1790 (1 Statutes, 105), authorized the President to empower the Secretary of the Treasury to make such loans as might be requisite to carry into effect certain specific appropriations made by the act. In this connection the following, copied from manuscript papers now deposited in the State Department, will sufficiently explain the circumstances which necessitated the making of this loan:

The Secretary of the Treasury begs leave respectfully to inform the President of the United States of America:

That, in order to be able to furnish, in the course of the ensuing month, for the compensation of the members of Congress and the officers and servants of the two houses, a sum of about $60,000; for the payment of the salaries of the civil list to the end of the present month, a sum of about $40,000; for the use of the Department of War, a sum of about $50,000; and for procuring bills to pay an arrear of interest on the Dutch loans to the first of June next, a sum of about $35,000 (amounting together to about $185,000)—it will be requisite to obtain a loan of $100,000.

There being in the treasury now a sum not exceeding $50,000, including $30,000 which the Bank of New York stands engaged to advance on demand, to complete a loan of $50,000, stipulated for on the 17th day of February last, which is considered as equivalent to a sum in the treasury; and inasmuch as the payment of former loans and other current demands will probably call for a considerable part of the moneys which may be expected in the interim from the product of the revenues: Wherefore, the said Secretary submits to the President of the United States the propriety of authorizing a loan to be made to the extent of the said sum of $100,000.

A. HAMILTON,
Secretary of the Treasury.

TREASURY DEPARTMENT, *March* 29, 1790.

The Secretary of the Treasury is hereby authorized to negotiate and agree for a loan to the United States, to an amount not exceeding $100,000, bearing an interest not exceeding 6 per cent. per annum, to be applied toward carrying into effect the appropriations made by the act entitled "An act making appropriations for the support of government for the year 1790", and according to the annexed representation.

G. WASHINGTON.

UNITED STATES, *March* 31, 1790.

SIX PER CENT., THREE PER CENT., AND DEFERRED SIX PER CENT. STOCKS OF 1790.

The mass of debt which devolved upon the United States, as an inheritance from the Continental Congress and the several colonies, engaged the attention of the national legislature soon after the adoption of the Constitution. The debt was very large and depreciated, and was still depreciating in value; but it was the price of liberty, and the payment of that portion of it contracted by national authority was made obligatory by the new Constitution. It was necessary, therefore, to provide for it in some way, although the payment of even the interest seemed impossible in the exhausted condition of the country at that time.

In reply to a confidential letter from President Washington, dated Mount Vernon, July 29, 1792, Hamilton says:*

The general inducements to a provision for the public debt were:

1. To preserve the public faith and integrity by fulfilling, as far as was practicable, the public engagements.

2. To manifest a due respect for property, by satisfying the public obligations in the hands of the public *creditors*, and which were as much their property as their houses or their lands, their hats or their coats.

3. To revive and establish public credit, the palladium of public safety.

4. To preserve the government itself by showing it worthy of the confidence which was placed in it; to procure to the community the blessings which in innumerable ways attend confidence in the government, and to avoid the evils which in as many ways attend the want of confidence in it.

On September 21, 1789, the House of Representatives adopted the following resolutions:

Resolved, That this House consider an adequate provision for the support of the public credit as a matter of high importance to the national honor and prosperity.

Resolved, That the Secretary of the Treasury be directed to prepare a plan for that purpose, and to report the same to this House at its next meeting.

There were many difficulties in the way of adopting a plan which would be satisfactory; in fact, to do even-handed justice was probably impossible. One great difficulty was in the many different kinds of debt which it was thought should be paid by the United States. These various kinds of debt had depreciated in different ways; and on many just claims, which had been purchased of the original owners for a trifle, a large amount of interest was due, in some cases amounting to more than the purchase-money for the claims themselves. This debt was due on account of foreign loans obtained in France and Holland; the obligations of the Continental Congress

* Hamilton's Works, vol. iv, pp. 254, 255.

given for loans, or in payment of supplies at home; loan-office certificates; continental bills of credit; continental currency; the paper currency of the different States; the floating debt of the government not credited, and of unknown amount; and the debts of the different States.

The following statement shows the indebtedness of the United States at the organization of the present form of government, including arrearages of interest to January 1, 1790:

French loan of eighteen million livres	$3,267,000 00
French loan of ten million livres	1,815,000 00
French loan of six million livres	1,089,000 00
Loan from farmers-general of France, balance due	153,688 89
Loan from Spain in 1781	174,017 13
Holland loan of 1782	2,000,000 00
Holland loan of 1784	800,000 00
Holland loan of 1787	400,000 00
Holland loan of 1788	400,000 00
Total principal of foreign debts	10,098,706 02
Balance due France for military supplies	24,332 86
Arrearages of interest to January 1, 1790	1,760,277 08
Debt due foreign officers who had served in the war of the Revolution	186,988 78
Arrearages of interest to January 1, 1790	11,219 32
Principal of the domestic debt, estimated	28,858,180 65
Arrearages of interest to January 1, 1790, estimated	11,398,621 80
	52,338,326 51
Add to this arrears and claims against the late government outstanding and subsequently discharged	450,395 52
Making the total debt of the United States January 1, 1790	52,788,722 03

To this should be added the individual debts of the several states, the precise amount and character of which was then unknown, estimated by Hamilton at that time to aggregate about $25,000,000.

There were two kinds of debt in the adjustment of which there seems to have been no difficulty: One was the undisputed foreign debt, where the lenders had paid for their bonds in gold, on the faith of the Continental Congress; the other was the paper money issued by Congress and the several states.

Authorities vary much as to the amount of paper money issued during the struggle for independence. Possibly Mr. Jefferson's statement in his writings may be taken as approximate to the truth, and it affords, at the same time, a striking exhibit of the effects of the inflation of our paper currency:*

On the commencement of the late Revolution Congress had no money. The external commerce of the states being suppressed, the farmer could not sell his produce, and, of course, could not pay a tax. Congress had no resource then but in *paper money*. Not being able to lay a tax for its redemption, they could only promise that taxes should be laid for that purpose, so as to redeem the bills by a certain day. They did not foresee the long continuance of the war, the almost total suppression of their exports, and other events which rendered the performance of their engagements impossible. The paper money continued for a twelvemonth equal to gold and silver; but the quantities which they were obliged to emit, for the purpose of the war, exceeded what had been the usual quantity of the circulating medium.

It began, therefore, to become cheaper or, as we expressed it, it depreciated, as gold and silver would have done had they been thrown into circulation in equal quantities. But not having, like them, an intrinsic value, its depreciation was more rapid and greater than could ever have happened with them. In two years it had fallen to two dollars of paper money for one of silver; in three years to four for one; in nine months more it fell to ten for one; and in the six months following, that is to say, by September, 1779, it had fallen to twenty for one.

Congress, alarmed at the consequences which were to be apprehended should they lose this resource altogether, thought it necessary to make a vigorous effort to stop its further depreciation. They therefore determined, in the first place, that their emissions should not exceed two hundred millions of dollars, to which sum they were then nearly arrived, and though they knew that twenty dollars of what they were then issuing would buy no more for their army than one silver dollar would buy, yet they thought it would be worth while to submit to the sacrifice of nineteen out of twenty dollars if they could thereby stop further depreciation. They therefore published an address to their constituents, in which they renewed their original declarations that this paper money should be redeemed at dollar for dollar. They proved the ability of the states to do this, and that their liberty would be cheaply bought at this price. The declaration was ineffectual. No man received the money at a better rate. On the contrary, in six months more, that is, by March, 1780, it had fallen to forty for one. Congress then tried an experiment of a different kind. Considering their former offers to redeem this money at par as relinquished, by the general refusal to take it but in progressive depreciation, they required the whole to be brought in, declared it should be redeemed at its present value of forty for one, and that they would give to the holders new bills, reduced in their denomination to the sum of gold or silver which was actually to be paid for them. This would reduce the nominal sum of the mass in circulation to the present worth of that mass, which was five millions, a sum not too great for the circulation of the states, and which they therefore hoped would not depreciate further, as they continued firm in their purpose of emitting no more. This effort was as unavailing as the former. Very little of the money was brought in.

It continued to circulate and to depreciate till the end of 1780, when it had fallen to seventy-five for one; and the money circulated from the French army being, by that time, sensible in all the states north of the Potomac, the paper ceased its circulation altogether in those states. In Virginia and North Carolina it continued a year longer, within which time it fell to one thousand for one, and then expired, as it had done in the other states, without a single groan. Not a murmur was heard on this occasion among the people. On the contrary, universal congratulations took place on their seeing this gigantic mass, whose dissolution had threatened convulsions which should shake their infant Confederacy to its center, quietly interred in its grave.

* Jefferson's Works, vol. ix, p. 248.

Jefferson estimates the value of the two hundred millions of Continental currency *at the time of its emission* at $36,367,719 83 in specie, and says:*

If we estimate at the same value the like sum of $200,000,000 supposed to have been emitted by the states, and reckon the federal debt, foreign and domestic, at about $43,000,000, and the state debts at $25,000,000, it will form an amount of $140,000,000, the total sum which the war cost the United States. It continued eight years from the battle of Lexington to the cessation of hostilities in America. The annual expense was therefore equal to about $17,500,000 in specie.

A portion of the domestic debt had been audited by authority of the Continental Congress, and certificates given therefor. This was called the "liquidated" debt; while the floating debt, not yet audited, was called the "unliquidated."

The question of assuming the debts of the several states was one that gave rise to excited debate and much angry feeling. The states had contracted these debts, partly in defending themselves against the common enemy, partly in carrying on their governments or in undertakings with which the rest of the continent had nothing to do. Some of them were largely indebted to the general government, while others again claimed large amounts due them from the Confederation.

In relation to this subject, Hamilton, in his letter to Washington, before referred to, says:†

The particular inducements to an assumption of the state debts were:

1. To consolidate the finances of the country, and give an assurance of permanent order in them; avoiding the collision of thirteen different and independent systems of finance under concurrent and coequal authorities, and the scramblings for revenue which would have been incident to so many different systems.

2. To secure to the government of the Union, by avoiding those entanglements, an effectual command of the resources of the Union for present and future exigencies.

3. To *equalize the condition* of the citizens of the several states in the important article of taxation; rescuing a part of them from being oppressed with burdens beyond their strength, on account of extraordinary exertions in the war and through the want of certain adventitious resources which it was the good fortune of others to possess.

On the 9th of January, 1790, Hamilton made his report to the House of Representatives, in obedience to the resolution of September 21, 1789, before referred to, in which he gave many reasons for assuming the debts of the old government and of the several states, and furnished a plan for supporting the public credit. His recommendations were finally adopted, and embodied in the act making provision for the payment of the debt of the United States, approved August 4, 1790 (1 Statutes, 138).

Section 2 of this act authorized a loan of $12,000,000, to be applied to the payment of the principal and interest of the foreign debt: *Provided*, That no contract should be entered into which should preclude the United States from reimbursing the loan within fifteen years.

Section 3 authorized a loan to the full amount of the domestic debt, payable in certificates issued for the said debt, according to their specie value, and computing the interest upon such as bore interest to December 31, 1791. The character of these certificates is specified in the same section of the act.

Section 13 authorized a loan of $21,500,000, payable in the principal and interest of the certificates or notes which prior to January 1, 1790, were issued by the respective states as evidences of indebtedness incurred by them for the expenses of the late war.

Section 15 provides: "That for two-thirds of any sum subscribed to the said loan, by any person or persons, or body politic, which shall be paid in the principal and interest of the certificates or notes issued as aforesaid by the respective states, the subscriber or subscribers shall be entitled to a certificate, purporting that the United States owes to the holder or holders thereof, or his, her, or their assigns, a sum to be expressed therein, equal to two-thirds of the aforesaid two-thirds, bearing an interest of six per centum per annum, payable quarter-yearly, and subject to redemption by payments, not exceeding in one year, on account both of principal and interest, the proportion of eight dollars upon a hundred of the sum mentioned in such certificates; and to another certificate, purporting that the United States owe to the holder or holders thereof, his, her, or their assigns, a sum to be expressed therein, equal to the proportion of thirty-three dollars and one-third of a dollar upon a hundred of the said two-thirds of such sum so subscribed, which after the year 1800 shall bear an interest of six per centum per annum, payable quarter-yearly, and subject to redemption by payments, not exceeding in one year, on account both of principal and interest, the proportion of eight dollars upon a hundred of the sum mentioned in such certificate; and that for the remaining third of any sum so subscribed, the subscriber or subscribers shall be entitled to a certificate, purporting that the United States owes to the holder or holders thereof, his, her, or their assigns, a sum to be expressed therein, equal to the said remaining third, bearing an interest of three per cent. per annum, payable quarter-yearly, and subject to redemption by payment of the sum specified therein whenever provision shall be made by law for that purpose."

It will thus be seen that, "in the case of the debt of the United States, interest upon two-thirds of the principal only, at 6 per cent., was immediately paid; interest upon the remaining third was deferred for ten years, and only 3 per cent. was allowed upon the arrears of interest, making one-third of the whole debt. In the case of the separate

* Jefferson's Works, vol. ix, p. 260. † Hamilton's Works, vol. iv, p. 255.

debts of the states, interest upon four-ninths only of the entire sum was immediately paid; interest upon two-ninths was deferred for ten years, and only 3 per cent. allowed on three-ninths."*

The following statement, showing the amount authorized to be assumed in the redemption of the debt of each state and the amount assumed, is taken from the official reports:

States.	Amount authorized.	Amount assumed.
New Hampshire	$300,000 00	$282,595 51
Massachusetts	4,000,000 00	3,981,733 05
Rhode Island	200,000 00	200,000 00
Connecticut	1,600,000 00	1,600,000 00
New York	1,200,000 00	1,183,716 69
New Jersey	800,000 00	695,202 70
Pennsylvania	2,200,000 00	777,983 48
Delaware	200,000 00	59,161 65
Maryland	800,000 00	517,491 08
Virginia and Kentucky	3,500,000 00	2,934,416 00
North Carolina	2,400,000 00	1,793,803 85
South Carolina	4,000,000 00	3,999,651 73
Georgia	300,000 00	246,030 73
Total	21,500,000 00	18,271,786 47

The act of August 12, 1790 (1 Statutes, 186), provides, that for the purpose of reducing the amount of the public debt, the surplus revenue derived from the duties collected on goods, wares, and merchandise imported, and the tonnage of ships or vessels to the last day of December, 1790, shall be applied to the purchase of the debt of the United States, at its market price, if not exceeding par, or true value thereof.

The said purchases to be made under the direction of the president of the Senate, Chief Justice, Secretary of State, Secretary of the Treasury, and Attorney General for the time being; who, or any three of whom, with the approbation of the President of the United States, shall cause said purchases to be made in such manner and under such regulations as shall appear to them best calculated to fulfill the intent of the act, said purchases to be made openly and with due regard to the equal benefit of the several states.

Their accounts were to be settled as other public accounts, and a report of their proceedings, as commissioners of the sinking fund, to be laid before Congress each session.

It also authorized a loan not exceeding $2,000,000, at an interest not exceeding 5 per cent., to be applied to the purchase of the said debt under similar regulations and restrictions with the surplus aforesaid, and provided that, out of the interest arising on the debt to be purchased, there should be appropriated and applied a sum not exceeding the rate of 8 per cent. per annum, on account both of principal and interest, toward the repayment of the amount so to be borrowed.

Prior to the year 1836, the amount of money requisite for the redemption of these securities had all been advanced to the different loan officers in the several states, or to the Bank of the United States and its branches acting as loan agents, and the nation was practically free from debt. Subsequently small sums were repaid into the treasury, not having been called for by parties holding the various outstanding obligations. Since that time a portion of these have presented their claims for payment to the treasury, and received the amount due them. The system in vogue in early years for the redemption of the public debt of the United States is thus explained by Secretary Gallatin, in a letter to the Hon. John Randolph, chairman of the committee of ways and means, November 28, 1803:

There was a commissioner of loans in each of the original thirteen states on the 4th of August, 1790, the date of the "Act making provision for the debt of the United States", and the whole of the domestic debt was credited to the stockholders for the sums to which they were respectively entitled, on books kept either by one of these commissioners or the register of the treasury.

The debt was transferable only on the books of the treasury, or of the commissioner upon which the credit for the same existed at the time of transfer by the stockholder or his attorney; and the interest was paid and the reimbursement of the principal effected, wheresoever the credit for the stock existed at the time when such interest became due, or such reimbursement was made.

The interest and reimbursement which might remain unclaimed for nine months was afterwards payable only at the treasury. The proprietors might at any time have their stock transferred from the books of one commissioner to those of another, or to the books of the treasury, and from the books of the treasury to those of a commissioner.

During the last fourteen days of every quarter all the above-mentioned books were closed, and no transfer whatever could be effected, that period being employed in calculating the amount of interest and reimbursement payable on the first day of the succeeding quarter to each stockholder, and in transcribing the same on what were called the "dividend books" for that quarter. The sum payable on the treasury books was then, together with the

* Hamilton's Works, vol. iv, p. 251.

dividend books relative to it, deposited in and paid at the office of the Bank of the United States, at Washington, to the proprietors, that part excepted which was payable to stockholders (principally foreigners) who had given permanent powers of attorney to the Bank of the United States, and which was remitted to that institution at Philadelphia.

Some of the commissioners of loans at times, though not always, completed their calculations, and communicated the result to the treasury early enough to enable the Secretary to remit them the precise amount wanted before the first day of the quarter. To every commissioner whose account was not received, a sum *estimated* sufficient to discharge the amount payable was remitted in time to meet the day of payment.

The commissioners of Massachusetts, New York, Pennsylvania, South Carolina, and Georgia deposited the money remitted to them, together with their dividend books, in the Bank of the United States and its offices, respectively, where the dividends were paid.

The other commissioners, residing at places where there was no office of the Bank of the United States, kept the specie and paid the dividends themselves. The amount of dividends on the books of the several commissioners which remained unclaimed for nine months was, from time to time, and as the same was ascertained, paid by the treasury to the office of the bank at the seat of government, and deducted from the estimate of advances to be made to the respective commissioners. It will thus be seen that the duties of the commissioners of loans consisted in entering on their books the transfers resulting either from sales or from transfers of stock from one office to another; in issuing new certificates in conformity with such transfers; in calculating and transcribing on proper books, for every quarter, the dividends payable on the stock then standing on their books; and, in those places where there was no office of the Bank of the United States, in paying the dividends.

The records show that on June 30, 1803, there was standing upon the books of the treasury and the several commissioners of loans, in stock of the United States, $70,154,781 48, which amount was held and owned by 14,326 parties, including $32,119,211 88 held by foreigners and $38,035,569 60 held by states, banks, and other corporations, and by citizens of the United States. The following is a statement of the old 6 per cent., 3 per cent., and deferred 6 per cent. stocks of the United States standing on the books of the treasury and those of the several commissioners of loans on the 30th of June, 1803:

	6 per cent. stock, nominal amount.	3 per cent. stock.	Deferred stock, nominal amount.
Treasury	$11, 524, 021 23	$7, 639, 332 03	$4, 563, 608 77
New Hampshire	215, 693 72	162, 726 36	115, 638 21
Massachusetts	5, 145, 829 48	2, 431, 759 51	2, 005, 491 73
Rhode Island	283, 586 44	216, 165 85	144, 422 84
Connecticut	774, 652 88	436, 783 19	425, 615 76
New York	4, 362, 929 79	3, 243, 484 30	2, 405, 318 83
New Jersey	196, 158 61	116, 542 89	110, 328 45
Pennsylvania	3, 419, 341 35	3, 430, 286 71	2, 810, 284 03
Delaware	63, 953 73	37, 552 93	23, 283 21
Maryland	346, 263 19	411, 821 72	162, 032 37
Virginia	436, 863 69	282, 384 36	196, 925 35
North Carolina	36, 244 91	41, 296 02	23, 777 88
South Carolina	1, 262, 940 92	611, 927 61	648, 536 23
Georgia	87, 105 57	10, 631 67	12, 587 16
Total	28, 155, 585 51	19, 072, 695 15	13, 647, 800 82

The following is a statement of the amount of 6 per cent., 3 per cent., and deferred 6 per cent. stocks, respectively, owned by foreigners, states, banks, and other corporations, and by individuals residing in the United States, as shown by the treasury books June 30, 1803:

	English.	Dutch.	All other foreign creditors.	Total foreigners.	States.	Incorporated bodies.	Individuals.	Total domestic.	Total foreign and domestic.
6 per cent. stock	$3, 447, 672 85	$7, 285, 592 58	$928, 951 69	$11, 662, 217 12	$2, 306, 253 43	$5, 738, 798 95	$8, 448, 316 01	$16, 493, 368 39	$28, 155, 585 51
3 per cent. stock	6, 663, 371 75	3, 902, 307 13	663, 868 08	11, 229, 546 96	1, 728, 126 40	1, 028, 929 86	5, 086, 091 93	7, 843, 148 19	19, 072, 695 15
Deferred 6 per cent. stock	4, 207, 053 35	1, 903, 718 59	546, 075 86	6, 656, 847 80	1, 558, 084 69	1, 563, 669 91	3, 869, 198 42	6, 990, 953 02	13, 647, 800 82
Total	14, 318, 097 95	13, 091, 618 30	2, 138, 895 63	29, 548, 611 88	5, 592, 464 52	8, 331, 398 72	17, 403, 606 36	31, 327, 469 60	60, 876, 081 48

A more detailed statement of funding operations under the provisions of law already referred to, and the changes subsequently made, will be found in the second part of this work.

The small amount of these stocks remaining unredeemed June 30, 1880, is included in the monthly public debt statement under the title of "old debt".

SUBSCRIPTION LOAN OF 1791.

The first bank of the United States appears to have been proposed by Alexander Hamilton.

On the 14th of December, 1790, as shown by the journal of the House of Representatives of that date, the Secretary of the Treasury transmitted to the House a letter, accompanying his report No. 2, with a plan for the institution of a national bank, which was read and referred to a committee of the whole.

On the 23d of December it was ordered: "That the clerk of the House do communicate to the Senate that this House has received a report from the Secretary of the Treasury containing a plan for a national bank, and that he carry an attested copy of the said report to the Senate."*

The bill to incorporate the subscribers to the Bank of the United States passed the Senate January 20, 1791, and was reported in the House of Representatives the following day, read twice and referred.

On the 31st the House resolved itself into a committee of the whole, and the bill was read by paragraphs; no amendment being offered, the bill was reported and ordered to be read the third time on the succeeding day. The debate on the passage of the bill began February 1. It took, immediately, a sectional form, the bill being favored by the members from the North and East, while it was opposed by most of the southern members.

The debate continued until February 8, when the bill passed the House by yeas 39, nays 20. An analysis of the vote shows that but six members from the south of Mason and Dixon's line voted for the bill, while but one member from the North voted against it.

The debates in the Senate have not been preserved. James Madison, in the House, and James Monroe, in the Senate, each of whom afterward became President of the United States, voted against it.

On the 14th of February it was presented to the President for his approval, received his signature, and became a law February 25, 1791 (1 Statutes, 191). In the interval he was occupied in anxious and diligent inquiry into the constitutionality of the bill, and asked the members of his cabinet for their advice on the subject. Edmund Randolph, Attorney General, and Thomas Jefferson, Secretary of State, gave their opinions, in writing, against it, while Hamilton gave his written opinion on the other side. The opinions of the others do not appear.

The act provided in substance that a bank should be established, with a capital stock of not exceeding $10,000,000, divided into 25,000 shares at $400 each. Subscriptions were to be payable one-fourth in gold or silver and three-fourths in that part of the public debt which bore 6 per cent. interest. The total amount of debts which the corporation might at any time owe in any way, except for moneys actually deposited in the bank for safe keeping, was never to exceed $10,000,000, and if this limit was exceeded the directors under whose administration it might happen were to be personally liable for the excess.

The corporation was allowed to sell the evidences of the public debt subscribed to its stock, but was not to purchase any public debt whatever. Notes were allowed to be issued, payable to any person or persons, assignable and negotiable, or to bearer assignable by delivery. The directors were to establish offices, for discount and deposit only, wherever they should think fit in the United States. A report of the condition of the bank was to be furnished whenever the Secretary of the Treasury required it, but not oftener than once a week. The President of the United States was authorized to subscribe to the stock of the corporation $2,000,000, borrowing an equal sum of the bank, the money to be paid out of that which should be obtained under previous acts of Congress relating to the public debt. The charter was to expire March 4, 1811.

A supplementary act, approved March 2, 1791 (1 Statutes, 196), extended the time for receiving subscriptions in the stock of the United States, and limited the number of shares that might be subscribed by any person in any one day to thirty.

The subscription of $2,000,000 to the stock of the bank by the President of the United States, under the authority of the act, was made, giving to the bank, June 25 and July 16, 1792, bills of exchange on Holland, equivalent to gold, and borrowing from the bank $2,000,000 for ten years at 6 per cent. interest.

The bank must have gone into operation very soon after the charter was obtained, and before the subscription of $2,000,000 was made by the United States, as a dividend of 4 per cent. was declared in July, 1792. So far as the evidence goes, it appears that the bank was well managed, and was of great benefit to the government and the people at large, assisting the government by loans in cases of emergency, and forcing the "wild-cat" banks of the country to keep their issues somewhere within reasonable bounds. More than $100,000,000 of government money was received and disbursed by it without the loss of a single dollar. It made semi-annual dividends, averaging about 8½ per cent., and its stock rose to a high price. The $2,000,000 of stock belonging to the United States was sold out at different times at a profit, 2,220 shares sold in 1802 bringing an advance of 45 per cent. The government subscription, with ten years' interest, amounted to $3,200,000, while there was received in dividends and for stock sold $3,773,580, a profit of $573,580, or nearly 28.7 per cent. As this transaction was subsequently made the subject of investigation by a committee of the House of Representatives, a full explanation of the method devised to carry out the provisions of the act authorizing a subscription loan, taken from official reports, is made a part of this paper.

* Documentary History of the Bank of the United States, p. 15.

By the published receipts and expenditures for 1792 (pp. 12, 54) there appears, in connection with the disposition of this loan, "two several credits, each for $2,000,000, as for moneys received into the treasury, with corresponding debits of equal sums, as for moneys paid out of the treasury." But neither the one nor the other did in reality take place. The whole is a mere operation to accomplish the purposes of the eleventh section of the "act to incorporate the subscribers to the Bank of the United States" without an inconvenient and unnecessary displacement of funds.

That section authorizes a subscription to the stock of the bank, on account of the government, not exceeding in amount $2,000,000, and provides for the payment of it out of the moneys which should be borrowed by virtue of either of the acts of the 4th and 12th of August, 1790: the first making provision for the public debt, the last for redeeming it: enjoining at the same time that a loan should be made of the bank to an equal amount to replace the moneys which were to be applied to the payment of the subscription.

The following plan for these purposes was devised and executed by previous concert: The treasurer drew bills upon our commissioners in Amsterdam for the sums requisite to complete the payment on account of the subscription. These bills were purchased by the bank, and warrants in favor of the treasurer upon the bank served to place the proceeds in the treasury. Warrants afterward issued upon the treasurer in favor of the bank for the amount of the subscription money, which was receipted for on the part of the bank as paid. Other warrants then issued in favor of the treasurer upon the bank for equal sums as upon account of a loan to the government, which warrants were satisfied by a redelivery to the treasurer of the bills that had been drawn upon the commissioners. In the last place, warrants were drawn upon the treasurer to replace the moneys supposed by the arrangement to be drawn from the foreign funds which perfected the operation. But, from the detail which has been given, it will be seen that, in fact, no moneys were either withdrawn from, or returned to, that fund. The bills were canceled, annexed to the warrants, and are lodged in the treasury as vouchers of the transaction.*

TEMPORARY LOAN FROM BANK OF NORTH AMERICA.

The committee appointed to examine the Treasury Department, &c., in their report to the House of Representatives, dated May 22, 1794, thus refer to this loan:†

> An act of the 8th of May, 1792, entitled "An act for making further provision for the payment of the debt of the United States, and for making further provision for the support of public credit, and for the redemption of the same," authorized a loan not exceeding $12,686 20, to be paid out of the moneys which should arise from the duties upon spirits distilled within the United States, and upon stills, and directed the following provisions thereof: "That it shall be lawful for the President to take, on loan, the whole or any part of the sum appropriated, &c., at a rate of interest not exceeding [illegible] per cent. per annum; and the Secretary of the Treasury is hereby authorized to borrow the same, and to cause the principal and interest of any loan to be discharged at the time aforesaid;" and in case of any deficiency in the said funds the United States is hereby also pledged to make good such deficiency.
>
> Upon this act of Congress, authorizing a loan arising from the proceeds of certain bills which the Secretary suggests, could not be immediately applied to that purpose, it was deemed advisable, in order to avoid the expense of a loan upon interest, but to obtain advances from the bank of North America, bearing a proportionate interest, [illegible] $[illegible] 08, being the proceeds of the bills. These advances were made [illegible] upon sundry letters of the Secretary of the Treasury, between the 1st of September, 1792, and the 1st of February, 1793, amounting to $116,666 66, and were carried in connection to an account under the title of "The United States". The advances have been reimbursed, and the proceeds of the bills applied to the service of the United States.

TEMPORARY LOAN OF 1792.

The Secretary of the Treasury, in his report dated March 14, 1792, in reply to a resolution of the House of Representatives asking for "his opinion of the best mode of raising the additional supplies requisite for the ensuing year", estimated, as the amount necessary for carrying into effect the act "making further and more effectual provision for the protection of the frontiers by the appropriation of the surplus of the government for 1792, at $[illegible] 08, with a probable surplus revenue from duties upon spirits of $150,000, making a deficiency to be provided for amounting to $[illegible] 08. Three expedients for providing this amount suggested themselves to the Secretary: One, "to dispose of the government stock in the Bank of the United States, which, at the market price at that time, would yield a clear gain to the government much more than adequate to the sum required;" another, "to borrow the money upon an interest which should be either merely commensurate with the interest to be paid, or affording a surplus which will discharge the principal by installments within a short time;" the third, "to raise the amount by taxes." Believing the first of these expedients "altogether unadvisable", and the second ineligible unless "accompanied with a provision sufficient not only to pay the interest, but to discharge the principal within a short period", the Secretary recommended the last proposition as far preferable to either, and says: "Nothing can more interest the national credit and prosperity than a constant and systematic attention to husband all the means previously possessed for extinguishing the present debt, and to avoid, as much as possible, the incurring of any new debt."‡

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* American State Papers, Finance, Vol. I, pp. 183, 184. † Ibid., p. 285. ‡ Ibid., p. 136, 138.

The repeal of then existing duties on certain articles was advised, and a new schedule submitted, from which an estimate of increased revenue was anticipated, on the faith of which a temporary loan might be negotiated, if authority for making the same was provided by law.

The recommendations of the Secretary were adopted, the duties were increased, and provisions for a temporary loan were made by the act of May 2, 1792 (1 Statutes, 262), which authorized the President of the United States to borrow the sum of $523,500, at a rate of interest not exceeding 5 per cent. per annum, redeemable at the pleasure of the government, the same to be applied toward carrying into effect the provisions of the act. Under this authority the sum of $400,000 was borrowed of the Bank of the United States.

TEMPORARY LOAN OF 1793.

The condition of the treasury at the close of the year 1792 was unsatisfactory. The increased expenditures, on account of Indian troubles, and the large amount requisite for the payment of the interest on the public debt, added to the growing demands for current service, seemed likely to exhaust the revenues, and it was evident that some additional resources must be provided to meet the emergency. The House of Representatives, by resolutions of November 21 and 22, 1792, referred to the Secretary of the Treasury the subject of providing a plan for the redemption of the public debt according to the rights of the government then existing, and also for the reimbursement of the subscription loan made of the Bank of the United States, according to the provisions of the law authorizing it.

In reply thereto the Secretary, in his report of the 30th of November, submitted such recommendations as, in his judgment, would result in the accomplishment of the object desired.

For the first, temporary loans from time to time, equal to the sums annually redeemable, secured by a pledge of the same revenues then appropriated for the payment of interest and the establishment of additional revenues by taxation, were the only resources remaining. For the second, that power be given by law to borrow the sum due, to be applied to the reimbursement of the loan, as required by the eleventh section of the act of incorporation, and that so much of the dividend, on the stock of the government in the bank, as was necessary be appropriated for the payment of the interest on the sum to be borrowed, as by this operation a saving to the government would result equal to the difference between the interest on the new loan and that payable on the sum due the bank at that time.* In conformity with these recommendations, section 3 of the act approved February 28, 1793 (1 Statutes, 328), "making appropriation for the support of the government for 1793," granted the President authority to borrow the sum of $800,000, at an interest not exceeding 5 per cent., reimbursable at the pleasure of the United States, to be applied for the purposes specified in the act; and also provided for the redemption of the loan made of the Bank of the United States, as authorized by section 11 of the act by which it was incorporated, in sums of $50,000, from time to time, as, in the opinion of the Secretary, the state of the treasury would admit.

The contract for this loan was made May 31, 1793, the money to be advanced in four equal monthly installments from June 1, and to bear interest at 5 per cent. from the date of such advance.

TEMPORARY LOAN FROM BANK OF NEW YORK.

On the 16th of December, 1793, the President, in a special message, transmitted to Congress a report of the Secretary of State on the measures which had been taken on behalf of the government for the purpose of obtaining a recognition of our treaty with Morocco, and for the ransom of our citizens and establishment of peace with Algiers. This report was considered in committee of the whole, and a series of resolutions adopted, as follows:†

Resolved, That a sum not exceeding ——— dollars be appropriated, in addition to the provision heretofore made, to defray any expense which may be incurred in relation to the intercourse between the United States and foreign nations.

Resolved, That a naval force adequate to the protection of the commerce of the United States against the Algerine corsairs ought to be provided.

Resolved, That a committee be appointed to report to this House the naval force necessary for the purposes aforesaid, together with an estimate of the expense, and the ways and means for defraying the same.

In their report to the House on the 20th of January, 1794, the committee say that, from the best information they could obtain, the naval force of the Algerines consisted of light vessels, of different size and force (exclusive of galleys), carrying in the whole 282 guns; that it had not varied considerably for many years past; the vessels (except two or three) were slenderly built, smaller in size than vessels of war, carrying the same number of guns, belonging to the Christian powers, and were principally manned with people little accustomed to the management of large ships. The committee recommended that a naval force, to consist of four ships of forty-four and two ships of twenty guns each be provided for the protection of the commerce of the United States against the Algerine corsairs; and for defraying the cost of such armament and the annual expense thereof, there be levied an

* American State Papers, "Finance," vol. i, pp. 176–178. † Annals of Congress, January 2, 1794.

increased rate of duties on certain articles specified in their report.* A long debate followed this report, the main features of which were subsequently adopted. Meanwhile, upon the report of a subcommittee, to whom the House had referred the resolutions of the 2d of January, a bill was introduced March 12, "making further provision for the expenses attending the intercourse of the United States with foreign nations;" and it passed the House without debate. There appears to have been no discussion on the bill in the Senate, and it became a law March 20, 1794 (1 Statutes, 345). The act appropriated $1,000,000, and authorized the President to borrow the whole, or any part of said sum, an account of the expenditure whereof, as soon as might be, to be laid before Congress. Under the authority of this act, a loan of $200,000 was procured from the Bank of New York, at 5 per cent. interest, payable June 8, 1796.

TEMPORARY LOAN OF MARCH, 1794.

On the 5th of February, 1794, the Secretary of the Treasury submitted a report to the House of Representatives, from which it appeared that the probable demands upon the treasury to the 1st of April would amount to $1,360,812 07, while the available resources for the same time would probably fall short of this amount $621,294 18.† The report was referred to a committee, with instructions to submit to the House whether any, and what, sum would be necessary to be loaned for the purpose of carrying on the public service for the year 1794. In the debate which ensued upon the report of the committee, which was, that, in their opinion, it was expedient that the President be authorized to borrow, on the credit of the United States, a sum not exceeding $1,000,000, if, in his opinion, the public service should require it, it was stated: "That, however inadequate the actual receipts of the revenue might be to discharge all the demands made on the government, there was, in fact, no deficiency in the funds appropriated to the discharge of those demands; the deficit was owing merely to the credit, which, for the convenience and benefit of trade, was allowed to the merchants; and that, in fact, the bonded duties were more than equal to meet all the demands on the treasury. This credit it would be remembered extended from four months to two years"; * * * "while it was true that all the demands on the treasury might not be made at the precise moment they became due," * * * "and that the estimated deficiency might not be justified by events, yet it was the duty of the legislature to put the preservation of the public credit almost beyond the reach of the possibility of being injured."‡ The report of the select committee was agreed to, and a bill in conformity thereto having been reported to the House March 3, and, passing both houses, it was approved by the President March 20, 1794 (1 Statutes, 345). The act authorized the President to borrow, if in his opinion the public service should require it, a sum not exceeding $1,000,000, at an interest not exceeding 5 per cent., reimbursable at the pleasure of the United States, to be applied to such public purposes as were authorized by law, to be repaid out of the duties on imports and tonnage to the end of the year 1794. This loan was obtained from the Bank of the United States.

TEMPORARY LOAN OF JUNE, 1794.

The report of the committee recommending a naval armament for the protection of American commerce against the Algerines, was, after some modification, finally adopted, and, having passed both houses, was approved, and became a law March 27, 1794 (1 Statutes, 350). Although it authorized the President "to provide, by purchase or otherwise, equip, and employ four ships to carry forty-four guns each, and two ships to carry thirty-six guns each", yet there was no appropriation to pay for the same contained in the act; and in order to remedy this defect, and guard against any deficiency in the revenues, the President was authorized by section 2 of the act of June 9, 1794 (1 Statutes, 395), to borrow the sum of $1,000,000. Under this authority, a loan of this amount was obtained from the Bank of the United States, at 5 per cent. interest. The money was received August 27, 1794, and was repaid April 1, 1795.

TEMPORARY LOAN OF DECEMBER, 1794.

Such were the exigencies of the public service at the commencement of the last session of the Third Congress that means had to be provided in anticipation of the revenues of the ensuing year, and on the 8th of December, 1794, a committee was appointed by the House of Representatives to prepare and bring in a bill to authorize the President to procure a loan not exceeding $2,000,000. The bill was reported the next day, and passed the House on the 10th, apparently without debate. It became a law December 18, 1794 (1 Statutes, 404), and under its provisions the President was authorized to borrow any sum not exceeding $2,000,000, at 5 per cent. interest, reimbursable at the pleasure of the United States, to be applied to such public purposes as were authorized by law, and repaid out of the duties on imports and tonnage for the year 1795. A loan of $2,000,000 was obtained from the Bank of the United States under this act, $1,000,000 of which became payable January 1, and the remainder April 1, 1796.

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* American State Papers, "Naval Affairs," vol. i, p. 5.
† Ibid., "Finance," vol. i, p. 272.
‡ Annals of Congress, February 28, 1794.

TEMPORARY LOAN OF FEBRUARY, 1795.

On the 4th of February, 1795, the President transmitted to Congress a special message, with a letter from the Secretary of State, relative to an additional loan for the maintenance of the intercourse of the United States with foreign nations, the object of this communication being for the purpose of securing additional authority for the negotiation of a loan, requisite at the earliest possible date, in order to procure the release of American citizens held as prisoners in Algiers. The authority asked for was granted, and by an act approved February 21, 1795 (1 Statutes, 418), the Bank of the United States was authorized to lend to the government the whole, or any part, of the sum of $800,000 (remaining unapplied), in pursuance of the authority granted by the act of March 20, 1794 (1 Statutes, 345). Under this authority, a loan of $800,000 was procured from the Bank of the United States, at 6 per cent. interest, payable quarterly, the principal to be refunded in four annual installments of $200,000 each, payable December 31, 1796, 1797, 1798, and 1799. This loan was received from the bank in 6 per cent. stock of the United States, which was transmitted to Messrs. Baring & Co., of London, to be sold on account of the government, and the proceeds held by them subject to the order of the minister of the United States at Lisbon. With regard to this operation, Secretary Wolcott says: *

> A conviction of the urgency of the case, and a disposition to accommodate the government, alone induce the bank to consent to the loan, as the stock was salable in large quantities at par, including interest. Bills of exchange were not readily obtainable, and the sudden exportation of so considerable a sum of specie would have been attended with inconvenient effects. Indeed, no alternative offered but to renounce the negotiation, or to remit stock as a fund. Various causes operated to produce a depression of the prices of all kinds of public stock, soon after the remittances had been made.

TEMPORARY LOAN OF MARCH, 1795, *A*.

On the 26th of December, 1795, the Secretary of the Treasury reported to the commissioners of the sinking fund that, to provide for the payment of the interest on the public debt which would fall due at the close of the current year, it would be necessary to anticipate the appropriated revenues to the amount of $500,000, and recommended that a loan for this sum be procured from the Bank of the United States for one year, at 6 per cent. interest. These recommendations were adopted and approved by the President. In accordance therewith, a contract was made with the Bank of the United States, December 31, for a loan of $500,000, redeemable in one year, with interest at 6 per cent., payable semi-annually, reserving to the government the right of reimbursement at pleasure, after giving one month's notice to the bank of its intention to do so.† This loan was made under the authority granted by the act of March 3, 1795 (1 Statutes, 433).

TEMPORARY LOAN OF MARCH, 1795, *B*.

Under the provisions of section 6 of the act of March 3, 1795 (1 Statutes, 439), the Secretary of the Treasury was authorized by the President to negotiate a temporary loan of $500,000, in anticipation of the revenues for that year, and this amount was procured from the Bank of the United States, at an interest of 6 per cent., from January 1, 1796, the loan to be reimbursed on or before December 31, 1797.

TEMPORARY LOAN OF MARCH, 1795, *C*.

The necessity for negotiating another loan of $500,000 is clearly set forth in a letter to the President from Secretary Wolcott, dated July 29, 1795, by which it is shown that, in addition to the current and ordinary expenses of the government, and the payments for interest on the domestic debt, there will shortly be required, in payment for 6 per cent. stock purchased by the late Secretary for the purpose of a remittance on account of the principal and interest of the Dutch debt,‡ the sum of $500,000; by the holders of foreign bills which had been drawn on and accepted by the Treasury, $453,750; for the payment of the loan obtained from the Bank of New York in October, 1794, $200,000; and three installments, of $100,000 each, due the Bank of the United States on account of the loan obtained under the contract of May 25, 1792. After making this statement the Secretary says: "As it is certain that the product of the ordinary revenues will be inadequate to the demands for the current service and the reimbursement of all those capitals, the Secretary requests the permission of the President to borrow the sum of

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* American State Papers, "Foreign Relations," vol. i, p. 555. † A. S. P., "Finance," vol. ii, pp. 371, 372.

‡ In a report on the "condition of the Treasury Department", made to the House of Representatives January 28, 1801, the committee refer to this transaction as follows: "It appears from the correspondence of the treasury with the bankers in Holland, which the committee have carefully examined, that an expectation was entertained that the stock would be sold at par, including interest; *or*, that the installment of principal due in Holland, for the payment of which the stock was intended to provide, would be continued on loan by a new contract. Although both of these expectations were disappointed, in consequence of the unfortunate situation of Holland at that time, yet it clearly appears to the committee that every measure within the power of the Secretary was adopted to render the remittance as productive as possible."—A. S. P., "Finance," vol. i, p. 693.

$500,000, which he will endeavor so to apply as to prevent an accumulation of debt-bearing interest." This authority was granted by the President, and, under the provisions of the act of March 3, 1795, section 6 (1 Statutes, 439), a loan was obtained of the Bank of the United States, to bear interest at 6 per cent., from October 1, 1795, and reimbursable in one year.

TEMPORARY LOAN OF 1798.

The seventh installment of $200,000, due on the subscription loan of the Bank of the United States, became payable December 31, 1798, and such was the condition of the treasury towards the close of that year—owing to the general receipts having fallen short of the expenditures—that the Secretary was obliged to ask authority from the President, through the commissioners of the sinking fund, to borrow this amount. This request was approved by President Adams, and accordingly a contract was made, bearing date December 31, 1798, for a loan of $200,000 from the Bank of the United States, at 6 per cent. interest, payable January 1, 1803, or sooner, at the pleasure of the government, after one month's notice.* This loan was made under the authority granted by the act of March 3, 1795 (1 Statutes, 435).

TEMPORARY LOAN FROM BANK OF NEW YORK.

In 1796 the Secretary obtained a temporary loan of $320,000 from the Bank of New York, the larger portion of which was more of a reloan than otherwise, it being merely a continuance of the loan made by the same bank in 1794. The remainder ($120,000) was used in part payment of the loan obtained from the Bank of the United States in 1792, the rate of interest being the same as on the former loan, viz, 6 per cent. The authority for its negotiation was conferred upon the commissioners of the sinking fund, subject to the approval of the President of the United States, as set forth in section 1 of the act of May 31, 1796 (1 Statutes, 488).

FOUR AND A HALF AND FIVE AND A HALF PER CENT. STOCKS OF 1795.

The Secretary of the Treasury, in his report embodying a plan "on the basis of the actual revenues for the further support of public credit", communicated to the Senate January 20, 1795, estimated the total debt of the United States at $76,096,463 67, of which $13,745,379 35 was foreign debt, due in France and Holland. The expenditure for the year, for interest on this debt and for the current expenses of the government, was estimated at $5,681,843 84 and the revenue at $6,552,300 74, leaving an estimated surplus of $870,456 90 to be carried to the sinking fund. His remarks in relation to the foreign debt were as follows:†

The payment of interest and installments of principal of our foreign debt in the countries where it was contracted is found by experience to be attended with difficulty, embarrassment, some loss, and a degree of casualty which occasionally puts in jeopardy the national credit. Loans for reimbursement must be made beforehand, as the market suits, and necessarily involve double interest for a greater or less time. The procuring of bills to be remitted for payment of interest cannot be depended upon in coincidence with the periods of payment, which, co-operating with distance, renders inconvenient anticipations necessary.

The remitting in commodities would be liable to other casualties and to some peculiar objections; and whatever mode be adopted, it may be frequently not practicable to deposit in season the necessary funds on the spot without great sacrifices. If, therefore, the place of these payments could, with consent of the creditors, upon an equitable indemnification to them for the transfer, be changed to the United States, the operation would be, in various lights, beneficial. It has occurred that the present posture of the affairs of Europe might favor a plan of this kind, and perhaps produce some collateral advantages. Under this idea an experiment is proposed. The proposed augmentation of interest is intended as an indemnification for the expense and hazard of agencies in this country, delays in remittance, inconvenience of distant negotiation, renunciation of the facilities which attend the receipt of interest at home, risks of loss by exchange, &c., and is calculated on a liberal scale, in order to induce an acceptance of the proposition.

If, instead of an *increase* of interest, the option of an *equivalent* be given by way of premium, in stock bearing an interest of 5 per cent., it would have attractions for certain creditors, and would facilitate the success of the measure. On strict calculation, the equivalent would be six dollars and fifty-eight cents per one hundred dollars of the principal subscribed. It is not perceived that the interests of the United States could suffer by allowing the alternative. The fixing of the rate of interest by postponing the reimbursement to the year 1818 would also be a powerful inducement. And till the period of reimbursement arrives, any surplus of the sinking fund which may exist can be invested in purchases, so as to prevent the progress of the fund being arrested.

It could not be necessary to observe, except for the sake of dispelling jealousy or apprehension on the part of the creditors, *that while the plan is in experiment, and afterward, with regard to all who do not embrace it,* everything is to proceed as heretofore, and as the contracts respecting the debt require.

The auxiliary proposition of giving power to the commissioners of the sinking fund to remit certificates for sale, is founded upon a belief that this operation will sometimes be practicable, where direct loans cannot be effected, and will be occasionally a more beneficial mode of remittance than by bills of exchange.

He therefore proposed:‡

That provision be made for converting, by a new loan, the whole of our present foreign into domestic debt, upon these terms, to wit: That for any sum subscribed to the new loan, and paid in the principal of the present foreign debt of the United States, there be allowed, in addition to the interest now payable upon such principal, the further yearly interest of ¼ per centum, or, in lieu thereof, at the option of each subscriber, an equivalent sum in capital stock, bearing an interest of 5 per centum per annum; that the whole interest upon the new loan, including that upon the capital stock, to be given as an equivalent for the additional ¼ per cent. shall remain fixed until the

*American State Papers, "Finance," vol. ii, p. 373. †Ibid., vol. i, p. 331. ‡Ibid., p. 327.

first day of January, 1818, at which time, and not sooner, the principal of the said new loan, including the said capital stock given as an equivalent, may and shall be reimbursed, except as to such subscribers as may prefer a shorter term of reimbursement, who may elect any term not less than fifteen years; that the permanent revenues shall be and remain firmly pledged for the payment of the said interest, until the reimbursement of the said principal, to be paid quarter-yearly, as that of the present funded domestic debt; and, lastly, that the commissioners of the sinking fund be empowered, with the approbation of the President, to provide by new loans for the reimbursement of any installment, or part of principal, of the present foreign debt, or of the loan to be made thereupon as aforesaid, either by direct borrowing or by sale, in the market, of certificates of stock, so as the said loan, or the said certificates of stock, shall bear an interest not exceeding 6 per centum per annum, and shall be liable to reimbursement within a term not exceeding twenty-four years. The interest upon the capital reimbursed, and, in aid thereof, the permanent revenues to be pledged for the interest upon the loans or stock to be made or created by virtue of the said power.

In accordance with these suggestions, a bill "making further provision for the support of public credit" was introduced in the House of Representatives, February 14, 1795. The bill was under discussion for several days, but the debate was generally confined to the sections respecting the domestic debt. A motion was made to strike out the section proposing an additional half per cent. to the holders of the foreign debt, if they subscribed the same to the domestic debt, on the ground that nothing would be saved, as the half per cent. would amount to more than the amount lost in exchange on remittances to Europe. It was said that a single concern in Holland were the directors of the chief of our loans in Europe, receiving, as interest alone, between five and six hundred thousand dollars annually, and that the command by one firm of such enormous sums of money to be drawn, as the bill proposed, quarterly from the treasury, would be dangerous to the trade of the country, forcing the banks to narrow their discounts, and causing stringency in the money market. After debate, the motion was withdrawn, and the bill passed both houses, and was approved March 3, 1795 (1 Statutes, 433).

The section relating to the foreign debt provided that a loan be opened at the treasury to the full amount of the foreign debt, and that subscriptions to said loan should be payable in equal sums of the principal of the foreign debt, stock to be issued to bear an interest of one-half per cent. greater than was then payable on the stock subscribed. The principal of the stock issued was to be reimbursable at the pleasure of the United States.

It was found impossible to effect the conversion of the Holland loans. Oliver Wolcott, jr., Secretary of the Treasury, in his report, December 14, 1795, says in reference to this subject:*

Measures have been taken for ascertaining whether the residue of the foreign debt, due in Amsterdam and Antwerp, could be reloaned with the consent of the creditors. The experiment cannot yet be considered as fully made, but the prospect of success is not encouraging. The objections against a mutation of the contracts in the manner proposed, which have been stated, are, generally:

1. That the proposed new stock will be redeemable at the pleasure of the United States, by which condition the government will possess the power of reducing the rate of interest or refunding the capital at periods when the reimbursement may be difficult or disadvantageous to the creditors.

2. That the proposed addition of one-half per centum per annum to the rates of interest, does not afford an equivalent for the expenses of the agency, loss upon the exchange, and the risk of remittances from America.

3. That the facilities which attend the negotiation of bonds payable to bearer, over funds which can only be transferred at the treasury or loan offices in the United States, render the obligations of the foreign debt, in their present form, particularly eligible for foreign creditors. * * *

Considering the actual state of Holland and the restrictions upon our intercourse with that country, it was deemed for the interest of the United States to propose a postponement of the installment which fell due in the present year. It has, however, been conclusively ascertained that no additional loans can be obtained in Holland; and of course the United States must be provided to make the reimbursements stipulated in their contracts.

The measures adopted by this department to effect a reimbursement were seasonable, and such as promised to be effectual, but, owing solely to the war, and the stagnation of credit occasioned by the Revolution, the installment which fell due on the 1st of June had not been paid, at the date of the last advices in August. The causes of the delay were, however, well understood by the creditors, and as they neither originated with, nor could be controlled by, the United States, and as the interest has been paid, the public credit has yet suffered no blemish.

The "actual state of Holland", referred to by the Secretary, was the fact that, after a disastrous war with the republic of France, the country had been conquered by the enemy. The numerous rivers and canals of Holland render the country easily defensible, and have always made its invasion a difficult task, but in the winter of 1794–'95, during intensely cold weather, the watery defenses were frozen, and the French army, under command of General Pichegru, crossing on the ice in overpowering strength, were soon in possession of the kingdom.

The foreign debt not payable in Holland was due to the government of France, and the revolutionary authorities of that country proved easier to deal with in the conversion than the private holders of the Holland loans. The terms of conversion provided for in the act of March 3, 1795, were accepted by James Swan, the authorized agent of France, and the full amount of the debt due that country, consisting of balances due on various loan accounts, was subscribed and paid for in the new stock. The amount so subscribed was $2,024,900, which, by the original contracts, bore interest, part at 4 and part at 5 per cent. Certificates of stock were therefore issued as provided for in the act, bearing interest at one-half per cent. more than had been previously paid on the amount subscribed. Of these certificates, $176,000 bore interest at 4½, and $1,848,900 at 5½ per cent. The issue of these certificates closed the accounts of the French debt, and it became merged in the domestic debt of the United States. A small amount of this stock was received for lands in 1797. Redemption of remainder began in the year 1807, and was completed in 1815.

* American State Papers, "Finance," vol. i, p. 360.

SIX PER CENT. STOCK OF 1796.

Under the act of May 31, 1796, an abortive attempt was made by the government to borrow $5,000,000 for the purpose of paying a debt due the Bank of the United States. The bank, since its charter in 1791, had made many temporary loans to the government in cases of emergency, and in anticipation of the revenues. In 1796 the United States owed the bank for loans $6,000,000, and complaints were made by the president and directors that so large a debt crippled the operations of the bank, caused them to refuse discounts to their private customers, and created a perpetual stringency in the money market. It was a further subject of complaint that the government paid but 5 and 6 per cent. for these loans, while the current rate of interest was 8 or 9. A part of this money had been borrowed to pay the expenses of suppressing the whisky insurrection in Pennsylvania, and another large sum had been used to buy a treaty with the pirates of Algiers. The government had yet to learn that iron and steel, backed by gunpowder, were more efficient metals than gold and silver in negotiating treaties with the barbarians of northern Africa.

The subject of making provision for the debts due the Bank of the United States was considered in committee of the whole April 12, 1796, and was under discussion for many days, the debate covering the whole subject of the national debt, the operations of the bank, and the propriety or the possibility of raising money by a new loan at 6 per cent. when the current rate of money was so much higher. A committee was appointed to confer with the officers of the bank on the subject of continuing to a remote period the loans made by the bank to the United States, and this committee reported, May 3, the answer of the bank as follows:*

> The board took into consideration the most essential points that had relation to the present subject, viz: the great increase in the price of all alienable property, which requires a corresponding addition of circulating medium to represent it; the necessity of placing this institution in a more respectable situation, in point of available funds, which will enable it to promote more generally the interests of commerce and manufactures, and afford the means of facilitating the financial operations of the government by temporary loans, whenever the fiscal administration may require such a resource; as well as the more immediate advantages of the stockholders and customers of the bank, intimately connected with the active employment of a large specie capital: Whereupon.
>
> *Resolved*, That the United States be requested to extinguish the loans that are already due to the bank, as well as to make provision for those which may become payable in the course of the present year.

This report occasioned another long debate, in which the proposition was made to sell the stock held in the bank, and a provision was finally inserted to allow its sale, or a portion of it, if deemed advantageous by the commissioners of the sinking fund.

The bill passed both houses, and was approved May 31, 1796 (1 Statutes, 488). It provided that it should be lawful for the commissioners of the sinking fund, with the approbation of the President of the United States, to borrow any sum not exceeding $5,000,000, to be applied to the payment of the principal of any part of the debt of the United States due or to become due during the year 1796 to the Bank of the United States or the Bank of New York, and to pay any installment of the foreign debt. Certificates were to be issued for the money borrowed, to bear an interest of 6 per cent., the principal to remain fixed and irredeemable until the year 1819, then to be redeemable at the pleasure of the United States. No certificate was to be issued for any less sum than $100. The commissioners were to be allowed to sell these certificates to raise the money, but no more than one moiety of the stock was to be sold under par. They might, if deemed advantageous, raise part of the money by selling the bank stock belonging to the government.

Such portion of the public revenues as were heretofore pledged for the payment of the principal and interest of certain debts, and which would be set free by their payment under this act, were pledged for the payment of the interest and the reimbursement of the principal of the new stock.

The attempt to borrow money under this act was almost a total failure. Only $80,000 were obtained, at a discount of 12½ per cent., yielding in cash $70,000. It was evident that the market was already overloaded with United States stocks, there being of the domestic debt afloat $63,216,238 12, which was selling at a heavy discount. There being no other immediate resource, United States Bank stock to the amount of $1,304,260 was sold at a premium of 25 per cent., and with this a portion of the debt due the bank was paid.

NAVY SIX PER CENT. STOCK.

In 1797 the United States possessed neither navy nor navy department. During the troubles with the Barbary Powers, in 1794, an attempt was made to create a small navy, by building six frigates, four of forty-four guns and two of thirty-six guns each, for the protection of our commerce in the Mediterranean. These frigates were begun under many disadvantages—one each at the ports of Portsmouth, in New Hampshire, Portsmouth, in Virginia, Boston, New York, Philadelphia, and Baltimore. The timber from which they were to be constructed was still standing in the forest, the iron was still in its native ore, the seed for the flax and hemp was yet to be sown.† Copper could not be procured in the United States. The government possessed neither navy-yards nor cannon foundries. It

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* Annals of 4th Cong., 1st sess., p. 1295.

† American State Papers, "Naval Affairs," vol. i, p. 6.

was resolved to build the ships of live-oak, and agents, with a force of lumbermen, were dispatched to Georgia to obtain it. These men met with so many discouragements, from the unhealthiness of the climate, the constant rain, and other causes, that but slow progress was made. In January, 1796, a committee of the House of Representatives reported that the frigates were still unfinished, and that, as peace had been made with the Barbary Powers, it was not advisable to finish them all at that time, but recommended that two should be completed. In 1797 the six vessels were still on the stocks, but, owing to the troubles with France, it became very evident that the United States must have a navy, and it was resolved to complete the frigates, to build galleys for the defense of the coast, and to purchase such merchant vessels as were adapted for naval service, not exceeding twelve. The act of April 27, 1798, "to provide an additional armament for the protection of the trade of the United States," appropriated $900,000 for the purchase of these vessels. On the 22d of June, 1798, an act supplementary to the act of April 27 was reported in the House of Representatives, and passed on the 23d, almost without debate, though some opposition appears to have manifested itself at different times to taking any steps whatever for the creation of a navy.

The act supplementary to the act to provide an additional armament for the protection of the trade of the United States was approved June 30, 1798 (1 Statutes, 575). It authorized the President to accept such vessels, not exceeding twelve, as were suitable to be armed for the public service, and to issue, in payment therefor, certificates or other evidences of the public debt of the United States, bearing interest at not more than 6 per cent. per annum, and redeemable at the pleasure of Congress. Under this act the ships George Washington, Merrimack, Maryland, and Patapsco, brig Richmond, and frigates Boston, Philadelphia, John Adams, Essex, and New York were purchased, and 6 per cent. stock to the amount of $711,700 was issued in payment. Besides the stock, money was in some cases given in part payment, under the appropriation of April 27, 1798. The idea of purchasing vessels and issuing stock in payment therefor seems to have originated with Alexander Hamilton.*

EIGHT PER CENT. LOAN OF 1798.

In the years 1797 and 1798 the United States, though nominally at peace with all the world, was actually at war with France, a war not formally declared, but carried on, upon the ocean, with very great virulence.

Constant captures were being made of American vessels on the ground of having the property of the enemy on board. When captured, these vessels were carried into French ports and condemned on the slightest pretext. The directory ordered that Americans found serving on board hostile armed vessels should be treated as pirates, even although they might plead compulsion in excuse. In other words, American citizens impressed by the British were made liable to be hanged by the French.

John Marshall, Elbridge Gerry, and Charles C. Pinckney were appointed envoys extraordinary to the French republic. Their letters of credence and full powers declared them to have been appointed for terminating all differences and restoring harmony, good understanding, and commercial and friendly intercourse between the two republics. Their efforts, however, were vain.

Preparations were now made in the United States to resist a French invasion. The President was authorized to call out eighty thousand militia in case of need, the regiments of regulars in service were ordered to be raised to their full complement of seven hundred men each, and authority was given to raise twelve additional regiments of infantry, with six troops of dragoons, to serve during the existing difficulties with France. Bills were passed for the purchase or lease of cannon foundries and the procuring of additional armed vessels, with appropriations to the amount of $1,750,000 for the purchase of ships, cannon, small-arms, and military stores. For the management of naval affairs a separate naval department was now, for the first time, created. Merchant vessels were authorized to arm for their own defense, and commanders of ships of war were ordered to capture and bring into port any French ship of war or privateer found depredating on American commerce.

It was evident that the ordinary revenues of the country would be inadequate for the increased expenditure, and that a loan would be required. On the 19th of June, 1798, a bill was introduced to enable the President to raise a loan, which was read twice and referred to a committee. It came up for discussion in the House on the 25th of June. There appears to have been no dispute as to the necessity of a loan, but much objection was made to the fact that the bill fixed neither the amount to be raised, the interest to be paid, nor the time at which the loan should be redeemable. It was said that it would be impossible to spend a very large sum during the recess of Congress, and that if a definite sum was fixed and more were needed, in consequence of a sudden invasion, Congress could be immediately called together. On the question of the amount of interest, Mr. Gallatin said that it would be in the power of money-lenders and the Bank of the United States to combine and compel the Secretary of the Treasury to pay a much higher interest than would be possible if the interest was fixed by law. Mr. Livingston, of New York, said there was a probability, if the rate was not fixed, that we should have to pay a much higher rate. He believed moneyed men might so combine as to extort 10 or even 20 per cent. for money.

On the other hand it was said that it was impossible to tell what sums might be wanted for the public service; that the President and Secretary could safely be trusted to borrow no more money than was needed, and at a rate

*Administrations of Washington and Adams, by George Gibbs, vol. ii, pp. 50, 51.

no higher than the market price; that the country might be suddenly invaded, and it might be impossible to obtain money if the rate was fixed; and that it was necessary to consult, in some degree, the interests of moneyed men. The bill was amended so as to make the loan redeemable in fifteen years, but the amount to be borrowed and the rate were not limited.* In this shape it passed the House, without a division, but the Senate subsequently amended it by limiting the amount to be borrowed to $5,000,000. It was finally passed by both houses, and was approved July 16, 1798 (1 Statutes, 607). The bill authorized the President of the United States to borrow, on such terms as he deemed most advantageous, $5,000,000, to be applied to make up any deficiency in the appropriations and to defray the expenses which might be incurred by calling out the militia of the United States or in raising, equipping, and calling out regular troops or volunteers. The loan was to be reimbursable at the pleasure of the United States after fifteen years, and the surplus of the duties on imports and tonnage was pledged for its repayment. Under this act $5,000,000 was raised by subscription, and an equal amount of stock issued for the same, bearing interest at 8 per cent. per annum until December 31, 1808, and thereafter at like interest, during the pleasure of Congress, until redeemed. The market rate at the time was 8 per cent. per annum, and it was thought by a committee of Congress that the loan was negotiated "upon the best terms that could be procured, and with a laudable eye to the public interest".†

A curious circumstance took place in connection with this loan, being, it is believed, the only case in all the financial history of the government of a successful attempt at a fraudulent issue of United States stock. The subscriptions to this loan were received in cash at the different loan offices, the Bank of the United States, and the treasury, and scrip certificates issued for the money, which certificates were afterward surrendered at the treasury, and 8 per cent. stock issued therefor. After all the scrip certificates had been funded in this way, it was discovered, in the year 1805, that although only $5,000,000 in cash had been received, yet stock to the amount of $5,001,000 had been issued, being an overissue of $1,000. After a long investigation it seemed to be conclusively proved that a certain Charles Tompkins, who had been a clerk in the register's office from 1790 to 1802, and who had charge of the issue of the 8 per cent. stock, had fraudulently taken ten scrip certificates for $100 each from their place in the files of the register's office; had altered the abstract of certificates filed so as to conceal the theft; and then, presenting the certificates at the office in his own name, as agent for Clement Biddle, a banker of very high standing in Philadelphia, had obtained an order for the issue of the stock; had himself issued it under the order; and had obtained from Mr. Biddle $1,000, and $55 as premium. It was suggested by Joseph Nourse, the register, that Tompkins be arrested, but this was not done at the time, perhaps because the evidence, though conclusive to an accountant, hardly amounted to legal proof. The United States redeemed the $1,000 of fraudulently issued stock as it did its genuine issues, and for a time the matter was at rest.

In September, 1811, however, a new and more alarming feature of the case was developed. A certificate for $15,000 United States deferred 6 per cents, bearing the genuine signature of Joseph Nourse, register of the treasury, but of which the filling up and marks of issue had evidently been forged, was forwarded to the treasury by Archibald Gracie & Sons, of New York. This was speedily followed by the information that another for $30,000, also forged, was in the possession of David Parish, of Philadelphia, who had purchased it in London. These certificates had both been sold in London by James Tompkins, a son of Charles Tompkins. On examination of the books at the treasury, it was found that out of a book of blank deferred 6 per cents, which had been kept at the treasury and had been in Charles Tompkins' care, ten signed certificates were missing. It appears to have been the custom of the register to sign the certificates of stock in blank, in quantities, and leave them in the charge of the confidential clerk till wanted for issue. Information was soon received that James Tompkins had a coadjutor in the fraud by the name of Thomas Joy, *alias* Harrison. It was also ascertained that both James Tompkins and Joy had sailed from Liverpool for the United States, and might be expected early in November. There was an immediate and determined effort made to capture them on their arrival, before they could set foot on shore. It turned out afterward that Joy and Tompkins were on the way over in the ship Justina, which James Tompkins had purchased with part of the proceeds of the forged certificates, and had placed Joy in command. On the 9th of November the Justina came into New York harbor, under the guns of the Wasp, and Tompkins and Joy were immediately arrested. Joy, on being examined, denied everything, but Tompkins made a full confession. He said that he had received the ten blanks, signed by the register of the treasury, from his father, Charles Tompkins; had himself filled up two of them, one with $15,000 and the other with $30,000; and had destroyed the rest, except one which he still retained. He admitted having sold the forged certificates in London, receiving therefor £7,598 7*s.* 6*d.* sterling; had expended about £4,000 on the Justina; had loaned £3,000 in Liverpool on real estate security; had sent £300 to his mother, and expended a small amount in different ways. The father, Charles Tompkins, was now arrested, and the three were fully committed. The trial of the Tompkins', father and son, for forgery, came off in May, 1812. James Tompkins was convicted, but his father was acquitted, in fact could not be convicted, of forgery, as he had not committed it. He seems to have been careful through the whole transaction to do but little that might bring him within the grasp of the law. The case of young Tompkins seems to have excited some commiseration. He was pardoned in the course of a few months, and Joy was set at liberty, Mr. Dallas, who managed the cases for the government

* Annals of 5th Congress, vol. ii, p. 2037, *et seq.*

† American State Papers, "Finance," vol. i, p. 692.

advising the Secretary of the Treasury that it was hardly worth while to prosecute the accessory after one principal had been acquitted and the other pardoned. The documents in connection with the case do not show what arrangement was made between those who had suffered by the fraud. The United States seem to have recovered nothing. Archibald Gracie & Sons, for whom the $15,000 certificate had been purchased at about £2,500, got possession of the Justina, which had cost £4,000, while David Parish, who had paid for the $30,000 certificate over £5,000, got only the £3,000 mortgage. Whether an equitable settlement was afterward made does not appear.

EIGHT PER CENT. LOAN OF 1800.

The committee of ways and means of the House of Representatives reported, February 28, 1800, that the expenditure for the coming year was estimated at the sum of $13,793,034 11, while the estimated revenue would be but $9,301,258 51, and there would therefore be an apparent deficit of $4,491,775 60 to be provided for; but as it was probable that when the payments for the year 1799 were all made and the accounts settled, there would be a balance in the treasury of at least $1,000,000, the real deficit to be provided for was, in round numbers, $3,500,000, and it was therefore recommended that the President be authorized to borrow, for the service of the year, a sum not exceeding $3,500,000. This deficit in the revenues was caused by the extensive preparations for war with France, during the years 1798 and 1799, in which the United States, possessing at the time neither army nor navy, had been obliged to provide both, to meet a threatened invasion.

The bill to authorize the President to borrow $3,500,000 for the public service passed the House March 18 and the Senate April 30, and was approved May 7, 1800 (2 Statutes, 60). An unsuccessful attempt was made in the Senate to limit the interest to 6 per cent. and to make the loan reimbursable at the pleasure of the United States after eight years. The act provided that the money should be borrowed to make up any deficiency in the appropriations, and to defray the expenses of calling into service any part of the militia of the United States or of raising and equipping regulars or volunteers. The loan was to be reimbursable after fifteen years, the rate of interest not being fixed.

Under this act, stock, bearing interest at 8 per cent. per annum, was issued to the amount of $1,481,700, for which cash was received to the amount of $1,565,229 24, being a premium of $83,529 24, or nearly 5¾ per cent.

LOUISIANA SIX PER CENT. STOCK.

This loan was contracted to pay France for the province of Louisiana, ceded to the United States by that power April 30, 1803. According to the construction of the United States, the cession of France included all the territory now covered by those portions of the states of Alabama and Mississippi which lie south of the thirty-first parallel; by the states of Louisiana, Arkansas, Missouri, Iowa, Minnesota, Oregon, Nebraska, and Kansas; by the territories of Dakota, Montana, Idaho, Washington, and the Indian territory; and by portions of Colorado and Wyoming. The United States had heavy demands on France for spoliations committed on American commerce during the previous ten years. The amount of these claims was estimated at $5,000,000. The first proposition of the French minister was that the United States should pay, for the province of Louisiana, 100,000,000 francs and take upon themselves the payment of the claims for spoliations, but the amount was finally fixed at $15,000,000, of which France was to receive $11,250,000 in United States bonds, payable in fifteen years, and bearing interest at the rate of 6 per cent. The remainder, amounting to $3,750,000, was to be devoted to reimbursing American citizens for French depredations on their commerce. The treaty was confirmed by the Senate of the United States, but was the occasion of an extended debate in the House of Representatives.

The act to issue the stock in payment for the territory, which became known as the Louisiana stock, was approved November 10, 1803 (2 Statutes, 245). It provided that, for the purpose of carrying into effect the convention of April 30, 1803, the Secretary of the Treasury should issue, in favor of the French republic or its assignees, certificates of stock for the sum of $11,250,000, bearing an interest of six per cent. per annum from the time at which possession of Louisiana might be obtained in conformity with the treaty, the certificates to be delivered by the President to the government of France, or to such persons as should be authorized to receive them, within three months after Louisiana should be taken possession of in the name of the government of the United States.

The faith of the United States was pledged for the payment of the interest and the reimbursement of the principal, in conformity with the provisions of the convention with France. The convention provided that the interest should be payable half-yearly, in London, Amsterdam, or Paris, and that the stock should be reimbursed in annual payments of not less than three millions each, the first payment to commence fifteen years after the date of the exchange of ratifications. The act, however, provided that the Secretary of the Treasury might consent to discharge the stock in four equal annual installments, and also to shorten the time fixed by the convention for commencing reimbursement. The annual interest, payable in Europe, was to be paid at the rate of four shillings and sixpence sterling for each dollar payable in London, and of two and a half guilders for each dollar payable in Amsterdam. Sufficient money to pay the interest for the first year was appropriated by the act. An annual sum of $700,000 (in addition to the annual sinking fund of $7,300,000), payable out of the duties on merchandise and tonnage, was appropriated, to continue so appropriated until the whole debt of the United States, including the [illegible] created by the act, was paid.

[illegible] was issued. [illegible] reserved to [illegible] except the [illegible]

[illegible] OF THE UNITED STATES OF 1847

[illegible] remained [illegible] value [illegible] at the rate of [illegible] improvement. [illegible] large proportion [illegible] which [illegible]

[illegible] offered to [illegible] unredeemed [illegible]

[illegible] they would, [illegible] by the [illegible] which [illegible] and [illegible] because the [illegible] and, [illegible] there would be [illegible] that [illegible] years, sold [illegible] with the [illegible] they being [illegible] therefore be [illegible]*

[illegible] House of [illegible] supplementary [illegible] United States". [illegible] The only part [illegible] bills of the 3 [illegible] held. On [illegible] proposed by Mr. Alston. [illegible] Were [illegible] interested in it? [illegible] subscribe. [illegible] the advantage. [illegible] 5 per cent. [illegible] twelve or fifteen [illegible] called for it, and [illegible]

[illegible] individuals stood [illegible] advantage of both. [illegible] and deferred [illegible] at this rate. The [illegible] that the govern- [illegible] now made. As [illegible] the simplest under- [illegible] bearing an interest at [illegible] per cent. [illegible] [illegible] would [illegible] be [illegible] to discharge the [illegible]

*American State Papers. Finance. Vol. [illegible]

thousand dollars by paying $650, instead of suffering it to remain as a burden on his children or a lien on his estate? Would it not be most to the advantage of the people of the United States to pay off this stock at the rate of 65 per cent. rather than to let it remain as a perpetual incumbrance on the nation?* The bill passed the House at the close of the debate by yeas 112, nays 13. It passed the Senate February 7, without amendment and apparently without debate, and was approved February 11, 1807 (2 Statutes, 415). It provided that a subscription should be opened in the United States and at London and Amsterdam to the full amount of the old 6 per cent., deferred, and 3 per cent. stocks. For any amount subscribed, in the old sixes or deferred stocks, a new 6 per cent. stock was to be issued for the par value of the unredeemed amount of each certificate. The interest on the new stock was to be payable quarterly, and it was to be subject to redemption at the pleasure of the United States. No partial reimbursement was to be made on any certificate, and six months' public notice was to be given of any intended reimbursement. On all subscriptions in 3 per cent. stock, certificates equal to 65 per cent. of the principal of the stock subscribed were to be issued, bearing an interest of 6 per cent., payable quarterly, but not reimbursable without the assent of the holder until after the whole of the 8 per cent. and 4½ per cent. stocks, as well as the stock to be issued by virtue of the act in exchange for the old 6 per cent. and deferred stocks, had been redeemed.

It will be observed that the act created two kinds of stocks, one reimbursable at the pleasure of the United States, the other not without the assent of the holder until after an indefinite period. To distinguish these stocks the first was called the "exchanged", the other the "converted" 6 per cents. For these names, however, no authority appears in the act. "Exchanged" 6's were issued amounting to $6,294,051 12, and of the "converted" $1,859,850 70. It would appear that the great majority of the holders of the old stocks preferred them to the new.

LOAN OF 1810.

The Secretary of the Treasury, in his report on the finances, dated December 7, 1809, estimated that about twelve and a half millions of dollars would be available for the expenses of the government during the year 1810. He estimated those expenses as follows:†

For the civil list and foreign intercourse	$1,500,000
For annual appropriations for the public debt, of which about $3,750,000 would be required for the final reimbursement of the exchanged 6 per cent. stock	8,000,000
For the expenses of the military and naval establishments	3,000,000
Making a total of	12,500,000

If the expenditures for military and naval purposes could not be reduced, a loan would be necessary to make up the deficiency. The Secretary stated that he had anticipated this state of things, and in his previous annual report, December 10, 1808, had advised an increase of duties. This measure Congress had not thought proper to adopt, and it was now too late, as the increased revenue arising from an increase in the duties on imports (if made) would hardly become available during the coming year. He stated that if the actual expenditures for military and naval purposes during the year 1810 equaled those of the year 1809, there would be a deficiency of $3,000,000. He therefore asked Congress to authorize a loan of $4,000,000, which he estimated would cover all expenditures and leave $1,000,000 in the treasury.

It seems to have been thought in Congress that it was impossible to effect any important reductions in the expenditures for the army and navy. Our foreign relations were in a very unsatisfactory state, and the war in which we soon after became engaged with Great Britain was already looming in the distance. In the discussions which took place on authorizing the loan asked for by the Secretary, every gentleman who spoke assented to the propriety of placing at the disposal of the government a sum of money fully adequate to meet the estimated expenditures for the year. All those who spoke against the bill professed to be willing, in a proper manner, to authorize a loan of any sum of money necessary to sustain the honor of the country, but they contended that the bill was objectionable because the sum to be raised was not stated on the face of the bill; because the bill bore a deceptive appearance of borrowing money to pay the public debt, when, in fact, it was to meet the ordinary expenses of the government; because the bill authorized a loan of $5,160,000, being $1,160,000 more than the Secretary of the Treasury had declared to be necessary; and because no loan ought to be authorized until bills then before the House, which might effect a reduction in the annual expenditures, were decided on. In reply to these objections it was urged that the amount authorized to be borrowed was as definitely expressed as though in figures; that there could be no deception on the face of the bill, for if no debt heretofore contracted was to be paid off, there would not only be no occasion to borrow, but there would be a large surplus in the treasury; and that since the estimates had been reported to the House various additional appropriations had been made, and it was impossible to say how much money might be wanted, but no more would be borrowed than was actually required.

The bill to authorize the loan passed the House April 25, yeas 77, nays 35, and it was ordered that the title be: "An act authorizing a loan of money for a sum not exceeding the amount of the principal of the public debt reimbursable during the year 1810."‡ It became a law May 1, 1810 (2 Statutes, 610).

* of 9th Cong., 2d sess., p. 331. † American State Papers, "Finance," vol ii, p. 374. ‡ Annals of 11th Cong., 2d sess., pp. 1947–1957.

The act provided that the President of the United States be authorized to borrow, on the credit of the United States, a sum not exceeding the amount of the public debt which would be reimbursed by law during the year 1810. The interest was not to exceed 6 per cent., and the loan was to be reimbursable at the pleasure of the United States, or at such period as might be stipulated by contract, not exceeding six years from January 1, 1811. The Bank of the United States was to be allowed to lend the whole or any part of the sum required, and the Secretary of the Treasury was to be permitted to raise the money by selling certificates of stock, not under par. The Secretary was authorized, with the approbation of the President, to give the preference, in the subscriptions to be made to the loan under this act, to the holders of the exchanged 6 per cent. stock created by virtue of the second section of the act passed February 11, 1807, for an amount not exceeding for each stockholder the amount of the exchanged stock held by him at the time of subscribing. The sum thus borrowed from the holders of the exchanged stock was to be reimbursable at the pleasure of the United States. So much of the sinking fund of $8,000,000 as might be needed for the purpose was pledged for the payment of the interest and the reimbursement of the principal, and the faith of the United States was pledged to establish sufficient revenues to make up any deficiency in the fund. Under this bill $2,750,000 was borrowed, reimbursable at the pleasure of the United States, and it was all reimbursed during the year 1811.

SIX PER CENT. LOAN OF 1812.

The committee of ways and means of the House of Representatives reported, February 17, 1812, that the ordinary expenditures for the coming year were estimated at $9,400,000, while the receipts for the year were estimated at $8,200,000, leaving a deficit of $1,200,000, which, however, might be paid out of the balance remaining in the treasury January 1, 1812, amounting to $3,502,305 80. This would leave a balance of about $2,302,305 80 on hand, which the committee thought it would not be prudent, under existing circumstances, further to exhaust. But it was probable that more than the ordinary expenses for the year would have to be met. It was evident that war with Great Britain must soon ensue; it was, in fact, declared within four months. Bills had been introduced into Congress, and several of them had passed, to increase the regular army 25,000 men; to arm and drill the militia; to purchase ordnance, ordnance stores, and camp equipage; to raise a force of mounted rangers; to repair the navy and purchase timber to build new ships; to erect additional fortifications; and to call for volunteers. The bills which had passed or were likely to pass Congress to put the country in readiness for war called for an extraordinary expenditure of about $11,000,000, and this sum the committee proposed to raise by loan, and reported a bill for that purpose. The bill was considered in the committee of the whole February 24, and seems to have caused but little debate, passing to its third reading by yeas 92, nays 29. It was slightly amended in the Senate, but seems to have passed that body without much debate. The House concurred in the amendments, and the bill passed finally March 11, and was approved March 14, 1812 (2 Statutes, 694). It authorized the President to borrow, on the credit of the United States, $11,000,000, at a rate of interest not exceeding 6 per cent., payable quarter-yearly, the money to be reimbursable, at the pleasure of the United States, at any time after the expiration of twelve years from January 1, 1813.

Certificates of stock for the sums borrowed were to be issued, reimbursable as aforesaid, but no such certificates were to be sold below par.

By a supplemental act, approved July 6, 1812 (2 Statutes, 784), the Secretary of the Treasury was authorized to employ an agent or agents, for the purpose of selling any part of this stock, and to allow such agent or agents a commission on the amount sold not exceeding one-eighth of 1 per cent.

Under these acts the sum of $8,134,700 was obtained, reimbursable as provided for in the act, and also a temporary loan for $2,150,000, reimbursable as provided for in special contracts with different banks. These loans have been entirely repaid.

TREASURY NOTES OF 1812.

It will be seen, by the remarks on the preceding loan, that the committee of ways and means of the House of Representatives had estimated the ordinary and extraordinary expenses of the year at $20,400,000, which would leave a deficit of about $11,000,000; that an act was passed to raise this amount by a loan; and that the sum of $10,284,700 was actually obtained. The Secretary of the Treasury, however, reported to the committee, May 14, 1812, that up to that date but $6,118,900 had been subscribed, and that while he was confident the whole amount would be filled as early as the money would be wanted for the public use, yet he thought it advisable, to prevent the possibility of disappointment, that authority should be given to issue treasury notes for such amount as might not be actually subscribed to the loan.* A bill to authorize the issue of treasury notes was accordingly introduced in the House June 12, read twice, and referred to the committee of the whole on the 13th. It was opposed at some length by Messrs. Randolph, Tallmadge, and Key, and supported by Messrs. Cheves, Nelson, McKim, and others. Mr. Randolph moved to strike out the enacting clause, but his motion was negatived by a large majority, and the bill ordered to a third reading.

*American State Papers, "Finance," vol. ii, p. 564.

It was the first time since the formation of the present government that the issue of treasury notes had been proposed, and they were opposed for this reason, as engrafting on our system of finances a new and untried measure.

The bill passed the House June 17, by yeas 85, nays 41; passed the Senate June 26; and was approved June 30, 1812 (2 Statutes, 766). It authorized the President to issue treasury notes for such sums as he should deem expedient, but not exceeding in all $5,000,000. These notes were to be reimbursed by the United States at such places, respectively, as might be expressed on the face of the notes, one year, respectively, after the day on which the notes were issued. They were to bear interest from the day of issue, at the rate of 5⅔ per cent. a year, payable at the places and times respectively designated on the face of said notes for the payment of the principal. They were to be issued in such portions as the President should deem expedient, in payment for supplies and for debts due by the United States, to such public creditors as chose to receive them at par; and the Secretary of the Treasury was authorized to borrow from time to time, not under par, such sums as the President should deem expedient, on the credit of the notes. They were to be receivable in payment of all duties and taxes laid by authority of the United States and for all public lands. In such payments interest was to be computed at the rate of 1½ cent a day on each $100 in treasury notes, and each month was to be counted at thirty days.

The commissioners of the sinking fund were authorized and directed to cause to be reimbursed and paid the principal and interest of the notes, at the several times when they should become reimbursable by the provisions of the act, and were further authorized to purchase said notes, not above par, in the same manner as they purchased other evidences of the public debt.

There was issued in these notes the full amount of $5,000,000 which the act authorized.

EXCHANGED SIX PER CENT. STOCK OF 1812.

The Secretary of the Treasury reported to the House of Representatives, June 24, 1812, through the committee of ways and means, that of the loan of $11,000,000, authorized by the act of March 14, 1812, but $6,460,000 had thus far been subscribed, including $200,000 offered on special contract but not yet accepted. He said: "The result of the loan was more than doubtful. The old 6 per cent. and deferred stocks are 2 or 3 per cent. under par, and any depression in the public funds would seriously affect the sales of the residue of the new loan. Nor does it appear eligible, without an absolute necessity, to give a premium or additional interest in order to obtain subscriptions for that residue. For as it would be just in that case to place the first subscribers on the same footing, the charge to the public would be more than double the premium actually wanted to obtain the four and a half millions which are not yet subscribed." He therefore suggested a conversion of the old 6 per cent. and deferred stocks into a new 6 per cent. stock not materially different from that created by virtue of the act authorizing the loan of $11,000,000. This he thought would have a favorable effect on the price of those stocks, and thereby facilitate the loan of this year and prevent the necessity of applying, in this and subsequent years, the large sums which must otherwise be expended in the reimbursement and purchase of the public debt.*

A bill for the purpose of effecting a conversion of the old 6 per cent. and deferred stocks, as recommended by Mr. Gallatin, was considered in committee of the whole July 3, 1812, and was reported without amendment. Hon. John Randolph moved to amend it by striking out the enacting clause, which motion was rejected by a large majority. Mr. Randolph then moved to amend it by inserting a proviso that nothing contained in it should be construed to impair the obligation by which the commissioners of the sinking fund were bound, under previous acts of Congress, to apply $8,000,000 annually to the reduction of the public debt. This motion was also rejected. The bill was then ordered to be engrossed, and read the third time the same day. It passed, apparently without further debate, by yeas 58, nays 26. It passed the Senate without amendment, and was approved July 6, 1812 (2 Statutes, 783).

The act provided that a subscription to the full amount of the old 6 per cent. and deferred stocks be proposed to the proprietors thereof, for which purpose books should be opened, at the treasury and the offices of the commissioners of loans, on the 1st day of October next ensuing, to continue open until March 17, 1813, the fourteen last days of each quarter excepted. For such part of the amount of the old 6 per cent. and deferred stocks subscribed and surrendered as should remain unredeemed on the day of subscription, the subscribers were to be entitled to receive certificates of United States stocks, bearing interest at 6 per cent. per annum, payable quarter-yearly, from the first day of the quarter in which the subscription was made. The said certificates were to be reimbursable, at the pleasure of the United States, at any time after December 31, 1824; but no reimbursement was to be made except for the whole amount of stock standing at the time to the credit of any proprietor, nor until after at least six months' public notice of the intended reimbursement. Nothing in the act was to be construed to alter, abridge, or impair the rights of those creditors of the United States who did not subscribe for the exchanged stock. Under this act $2,984,746 72 were subscribed in old 6 per cent. and deferred stocks and exchanged for certificates of the new stock. This stock has all been redeemed.

*American State Papers, vol. ii, "Finance," p. 569.

SIXTEEN MILLION LOAN OF 1813.

The committee of ways and means, January 18, 1813, reported a bill authorizing the issuing of treasury notes for the service of the year 1813; also a bill authorizing a loan of ——— millions of dollars; which bills were read twice and referred to a committee of the whole. It appeared from the report of the committee of ways and means that the expenditures for the year 1813 might be estimated at the sum of $36,000,000. Of this sum about $26,000,000 would be required for military and naval operations, which were necessarily heavy, the United States being engaged in war with Great Britain. The balance remaining in the treasury December 31, 1812, had not been ascertained with accuracy, but was believed to amount to about $5,000,000, after deducting expenses incurred in 1812, but not yet paid.* Add to this balance the revenue for the year 1813, which was estimated at $14,000,000, including the amounts receivable during the year from the loan and treasury notes of 1812, and there remained a deficit of $19,000,000. To meet this the committee proposed the issue of treasury notes to the amount of $3,000,000 and a new loan of $16,000,000. This, it was estimated, would leave a surplus of $2,000,000 in the treasury at the end of the year. The bill for raising the loan was energetically opposed, on the ground that it contained no special provisions, and set apart no special fund for its reimbursement; that the war, for which great expenses were to be incurred, should never have been declared, and now, that the principal reason for its commencement had been removed by events in Europe, its further prosecution was unnecessary. The blank in the bill was filled so as to make the amount to be raised "sixteen" millions. Some debate occurred on the proposition to limit the rate of interest to 6 per cent. and to prevent any stock being sold below par.

The House refused to fix the rate of interest or to limit the sales of the stock to par, and passed the bill by a decisive majority January 27. The Senate passed it without amendment, and it was approved February 8, 1813 (2 Statutes, 798). It authorized the President to borrow, on the credit of the United States, a sum not exceeding $16,000,000, no contract for the same to be entered into which should preclude the United States from reimbursing it at any time after January 1, 1826.

The President was authorized to sell the certificates of stock issued, at a price not limited to par, and to employ agents for the purpose of effecting the sales, said agents to receive a compensation not exceeding one fourth of 1 per cent. on the amount they sold or for which they obtained subscriptions. The surplus of the sinking fund was pledged for the payment of the principal and interest, and the commissioners of that fund were authorized to purchase the principal of the stock to be issued, at any time, on the same terms as they were authorized to purchase other evidences of the public debt. The faith of the United States was pledged to establish sufficient revenues to make up any deficiency. Under this bill $15,465,800 was obtained on subscriptions and sales of $100 in stock for $98 in money, and $531,200 at par, by giving an annuity of 1½ per cent. for thirteen years in addition. As the bill contains no provision for offering annuities in addition to the interest, it must have been done under the unlimited authority given by the bill to raise money without restricting the means. For the money so obtained, certificates of stock for $18,100,377 43 were issued, bearing interest at 6 per cent.

TREASURY NOTES OF 1813.

The circumstances that rendered necessary the issue of the treasury notes of 1813 required to make up the estimated deficit of $19,000,000), in addition to the 6 per cent. $16,000,000 loan of that year, have been already referred to.

A bill proposing a new issue of treasury notes was reported to the House of Representatives January 27, 1813. Discussion offered various reasons against its passage, among which were that issuing treasury notes was [illegible] a new system of patronage and favoritism, already too great, and therefore it would be better to add the [illegible] to the $16,000,000 loan, or to create another 6 per cent. stock for the occasion; also that, as the [illegible] but 6 per cent. interest, they would have to be negotiated in such a way as to give the banks [illegible] other advantages, as it was not pretended that money could be got for 6 per cent.; if so, [illegible] the sales under the loan bill to par! The banks which had been made government [illegible] make up these notes in sums equal to the average balance of government funds in their [illegible] hold the notes and the average balance, and at the end of the year pay the government in [illegible] the government to pay interest on its own funds. To this it was answered that whether [illegible] a loan or by issue of treasury notes the effect would be the same. The money would [illegible] in those banks which were by law government depositories, and the banks would [illegible] it. Even the receipts from lands, customs, and internal taxes would all be deposited [illegible] discount on those deposits. The notes which it was proposed to issue were not so [illegible] to a loan, for they would not be issued until the exigencies of the government required [illegible] by yeas 79, nays 41. An attempt was made in the Senate to amend it, by striking [illegible] notes to be used in payment for supplies and to be received in payment of duties [illegible] the proposition and passed the bill with some unimportant verbal amendments,

* Annals of 12th Cong., 3d sess., p. 570.

in which the House concurred.* It was approved February 25, 1813 (2 Statutes, 801). It authorized the President to cause to be issued treasury notes, for such sums as he should deem expedient, not exceeding in amount $5,000,000. It also authorized the issue of the further sum of not exceeding $5,000,000, the proceeds of which were to be deemed and held to be part of the sum of $16,000,000 authorized to be borrowed by the act of February 8, 1813. (This provision was rendered of no effect by the fact that nearly the whole of the sixteen millions was obtained as a loan.) The notes were to be reimbursed, at such places, respectively, as might be expressed on the face of the notes, one year after the date of their issue, and were to bear an interest of $5\frac{2}{5}$ per cent. per annum, payable at the same times and places as the principal should be reimbursable. They were to be issued in payment for supplies to such public creditors as chose to receive them, and were receivable everywhere in the payment of all duties and taxes laid by the United States; also for all public lands sold.

The Secretary of the Treasury was authorized to borrow, on the credit of the notes, not under par, such sums as the President might deem advisable, and it was to be deemed a good execution of this provision to pay the notes to such banks as would receive them at par and give credit to the treasurer of the United States for the amount thereof. The notes were to be transferable by delivery and assignment indorsed thereon by the person to whose order the same should, on the face, have been made payable. The commissioners of the sinking fund were directed to reimburse and pay the principal and interest of the notes at the time they should become payable, and were furthermore authorized to purchase said notes, in the same manner as other evidences of the public debt were purchased, at a price not above the par of principal and interest due. Notes were issued under this act to the amount of $5,000,000.

SEVEN AND ONE-HALF MILLION LOAN.

The acts authorizing a loan of $16,000,000 and an issue of treasury notes for $5,000,000, in the early part of the year 1813, were intended to provide ample means to meet the deficit of $19,000,000, which was expected to result from the heavy military and naval operations of the year. The acting Secretary of the Treasury, W. Jones, in his report to the Senate, June 3, 1813, estimated the expenditures for the remainder of the year at about $29,230,000, and the revenue from all sources, including the loans and treasury notes authorized, at the same amount. But he seems to have feared that so large an issue of treasury notes might result in their depreciation, and he advised a loan instead, reserving the power to issue treasury notes if the exigencies of the government required it. He says that, in the estimate of resources, "the whole sum of $5,000,000 authorized to be issued in treasury notes is taken as a part of the resources of the present year. But as it is not deemed eligible to increase the amount of treasury notes in circulation, and as three millions only of those authorized by the act of 1812 were issued in that year, and are reimbursable in the course of the present year, it is respectfully suggested that, in lieu of issuing two millions of the five millions authorized by the act of February, 1813, Congress should authorize an additional loan for the same amount."

In connection with this he recommended the imposition of new internal taxes.† A bill to authorize a loan of ——— dollars, was reported in the House of Representatives from the committee of ways and means July 22, and considered in committee of the whole July 24. The blank in the bill before the word "dollars" was filled with the words "seven million five hundred thousand". An attempt was made to amend the bill by inserting a provision pledging the proceeds of the direct tax and the internal duties for the payment of the interest of the loan, but the House voted it down by a large majority. The debates, if any took place on the subject, have not been recorded. The bill was slightly amended in the Senate, passed both houses July 30, and was approved August 2, 1813 (3 Statutes, 75). It authorized the President to borrow, on the credit of the United States, a sum not exceeding $7,500,000, reimbursable at the pleasure of the United States at any time after the expiration of twelve years from January 1, 1814. It allowed the sale of certificates of stock, for the purpose of raising the money, at not less than $88 in money for $100 of stock. The interest was not limited. A commission of not exceeding one-quarter of 1 per cent. on the amount sold, or for which subscriptions were obtained, was to be allowed to agents. It contained the usual provision directing the commissioners of the sinking fund to pay the interest and reimburse the principal when due; also to purchase the stock, not above par, as they purchased other evidences of the public debt. The faith of the United States was pledged to establish sufficient revenues to make up any deficiency in the funds provided for its reimbursement. Banks in the District of Columbia were to be allowed to lend any part of it, notwithstanding any provision to the contrary in their charters. Under this act $7,500,000 was obtained in cash, and stock to the amount of $8,498,581 95 was issued therefor, being a discount of 11.75 per cent.

TREASURY NOTES OF MARCH, 1814.

The acting Secretary of the Treasury, in his report on the state of the finances, communicated to the Senate January 10, 1814, estimated the expenditure for all purposes during the year 1814 at $45,350,000, and the revenue

*Annals of 12th Cong., 2d sess., p. 881. †American State Papers, "Finance," vol. ii, p. 623.

with a balance in the treasury of $10,000,000, leaving [illegible] the sum of $5,000,000.* He said that although the interest paid on treasury notes is considerably less than that paid for the moneys obtained by the United States on funded stock, yet the certainty of their reimbursement at the end of the year, and the facilities they afford for remittances and other commercial operations, had induced the [illegible] to prefer them, which leaves little reason to doubt that they may be extended considerably beyond the sum of $5,000,000, hitherto authorized to be annually issued. It will, perhaps, be eligible to leave to the executive, as to the last year, a discretion as to the amount to be borrowed upon short or long treasury notes, that one of the other may be resorted to within prescribed limits, as shall be found most advantageous to the United States".

A bill to authorize the issue of treasury notes was reported from the committee of ways and means February 1, and considered in committee of the whole February 21, 1814. An attempt was made to so amend it as to provide that no note should be issued for a larger amount than $100 nor less than $5, but the House refused to accept the amendment. The bill passed to a third reading without debate in opposition. It was read a third time February 25, when an attempt was made to amend it by providing that no note of less than $10 should be issued, which was also rejected, and the bill passed by yeas [illegible] nays 45. It passed the Senate without debate or amendment March 1, and was approved March 4, 1814 (3 Statutes, 104). It authorized the issue of treasury notes for a sum not exceeding $5,000,000, and also for an additional sum not exceeding $7,000,000, to be deemed and held part of the sum which might be authorized to be borrowed by the act passed at that session of Congress. The notes were to be reimbursed, at such places respectively as should be expressed in the notes, the year after their respective dates, and to bear an interest of 5 per cent annually payable at the same times and places as the principal should be payable. They were to be issued in payment for supplies to such public creditors as those to receive them, and the Secretary of the Treasury was authorized to borrow on the credit of the notes, but under par, such sums as the President might think expedient to sell the notes for, and for that purpose to employ agents to effect such sales, at a commission not exceeding one-quarter of 1 per cent. The notes were to be receivable everywhere in payment of all duties and taxes laid by authority of the United States, and for public lands sold. It contained the usual provision authorizing and directing the commissioners of the sinking fund to reimburse the principal and interest and to purchase the notes [illegible] a premium not exceeding. Notes to the amount of $10,000,000 were issued under this act.

SIX PER CENT LOANS OF 1814

A bill to authorize a loan of $25,000,000, to provide, together with the treasury notes of March 4, for the [illegible] deficiency of $28,150,000 in the services and receipts of the year, was reported from the committee of ways and means February 1, 1814. This was the largest loan that up to that time had ever been proposed in Congress, and the idea of increasing the debt of the nation [illegible] large an amount created much opposition and led to an [illegible] debate, which took a wide range and brought in incidentally the conduct of the war with Great Britain, its causes and its probable results. The people of 1813 had only been beguiled at a heavy discount, the treasury receipts for $9,607,959 38 in bonds but $2,500,000 in cash. This money had been mostly exhausted in disastrous [illegible] Canada, which had effected nothing and had only resulted in adding to the already numerous miseries [illegible] war. The only brilliant successes of which the administration could boast were the naval victories. [illegible] having been before the House for more than a month, it passed [illegible] yeas 97, nays 56. It passed [illegible] without amendment by yeas 21, nays 6, March 1, and was approved March 24, 1814 (3 Statutes, 111). [illegible] to President to borrow, on the credit of the United States, a sum not exceeding $25,000,000, [illegible] the pleasure of the government at any time after the expiration of twelve years from December 31, [illegible] stock for this amount, any part of which were authorized to be discounted, and the same to [illegible] Secretary of the Treasury was directed to lay before Congress during the first week of February, [illegible] of moneys obtained by the sale of these certificates of stock, with a statement of the rate at [illegible] were sold. Agents were to be employed to negotiate these certificates and obtain subscriptions [illegible] not exceeding one-quarter of 1 per cent. The commissioners of the sinking fund were directed [illegible] interest and to purchase the certificates at a price not above par, whenever the condition [illegible] should warrant. The rate of interest and the amount of it which was to be paid were not limited. Under [illegible] loan was opened May 1 for $16,000,000.

[illegible] the whole amount [illegible] was less than 88 per cent. Of [illegible] were offered with the [illegible] should be allowed for any part of the [illegible] millions authorized to be [illegible] should be extended to those holding the stock of the [illegible] loan.

[illegible] not very apparent. There was a law of this session authorizing the annual issue of $5,000,000,

Taking into consideration the expectation then entertained of an early return of peace, and the importance of maintaining unimpaired the public credit by sustaining the price of the stock in the meantime, and also considering the measure as sanctioned by precedent, it was agreed to accept the loan with that condition. Had the sum to which the condition was annexed been rejected, the consequence would have been to reduce the amount obtained to less than five millions, a sum altogether inadequate to the public demands, or, by depressing the stock to 85 per cent., have obtained only a little more than six millions, which would have still been insufficient to answer the purpose of government.

Under these proposals for a loan of ten millions, stock amounting to $9,919,476 25, bearing an interest of 6 per cent., was issued, and cash to the amount of $7,935,581 was obtained therefor, being a discount of 20 per cent. This stock, though issued under the act for a loan of $25,000,000, appears as the "ten million loan of 1814". A portion of it was issued at the rate of $100 in stock for $88 in cash. But as most of the proposals contained the stipulation: that if more favorable terms were granted for any part of the money obtained under the act for a loan of $25,000,000, the same terms should be granted them; and as the second installment of this loan was only negotiated at a discount of 20 per cent., it became necessary to equalize the subscribers by issuing to those who had received stock at 88 per cent. supplemental stock at the rate of $10 on each hundred of stock held by them. The commissioners of loans were therefore directed to issue to the holders of certificates of the ten million loan supplemental stock equal to 10 per cent. of the nominal value of their certificates. This supplemental stock is included in the $9,919,476 25 issued under this loan.

Proposals were again invited, on the 22d of August, for a loan under the same act. The amount asked for was $6,000,000. From the subscriptions obtained under these proposals $4,307,307 90 was realized in cash, for which stock to the amount of $5,384,134 87 was issued, a discount of 20 per cent. This appears as the "six million loan of 1814". There was also an additional amount of $746,403 31 issued under this act in the settlement of contracts for loans, for which $652,534 36 was received in cash. This appears as the "Undesignated six per cent. stock of 1814". The issues under the act for a loan of $25,000,000 amounted to $21,050,014 43, including treasury notes for $5,000,000 issued under the act of March 4, 1814, but, by the terms of that act, to be deemed a part of this loan. The receipts were $17,895,423 26.

MISSISSIPPI STOCK.

At the close of the American Revolution Great Britain, by the treaty of September 3, 1783, surrendered all claims to sovereignty over the thirteen original colonies. The treaty declared that the Mississippi should be their western boundary, and article 1 relinquished to each of the states, naming them, and Georgia among them, "all claims to the government, proprietary, and territorial rights of the same." Under this treaty the state of Georgia, as the successor of the colony of that name, claimed to hold a perfect and indefeasible title to all the lands (not before granted to private parties) within her limits as far west as the Mississippi river, including nearly all the present states of Alabama and Mississippi. The only adverse claimants were the Indian tribes, and over all the soil occupied by them she held the right of pre-emption. In February, 1785, the legislature of Georgia established the county of Bourbon, beginning at the mouth of the Yazoo river and running southward along the Mississippi river to the thirty-first degree of north latitude. In February, 1788, the legislature authorized the delegates of the state to cede to the United States all her rights of soil, territory, and jurisdiction west of the river Apalachicola; but Congress, by resolution July 15, 1788, refused to accept the cession.*

The fact of the possession by the state of Georgia of such an immense body of fertile land appears to have early attracted the attention of speculators, and formed the basis of one of the greatest land speculations on record, commenced (as the evidence seems to show) by bribery and carried on by fraud and perjury.

On the 21st of December, 1789, the legislature of Georgia passed an act authorizing a grant of the whole country from the Tombigbee to the Mississippi, comprising nearly the whole of the present state of Mississippi and a portion of Alabama, amounting to about 30,000,000 acres, to three companies, called the South Carolina Yazoo, the Virginia Yazoo, and the Tennessee companies, for the sum of $207,580, or rather less than one cent per acre. An inconsiderable sum was paid, in the paper money of the state, by the first two mentioned companies, and the whole amount of the purchase-money was tendered to the treasurer in the depreciated certificates or evidences of the public debt of Georgia, the acceptance of which was refused. It seems to have been considered that the grant had lapsed by non-payment of the purchase-money, for, on the 7th of January, 1795, the legislature passed an act authorizing the sale of nearly the entire country from the Alabama river to the Mississippi, estimated at from thirty-five to fifty million acres, to four companies, called the Georgia, the Georgia Mississippi, the Upper Mississippi, and the Tennessee, for the sum of $500,000, which amount was paid into the treasury of the State.†

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* Journals of Congress, vol. iv, pp. 834, 835.

† American State Papers, "Public Lands," vol. i, pp. 133, 149.

Sweeping charges of bribery were made, affecting with greater or less particularity almost every member of the legislature. Nor is the history of the case confined to such charges involving members of the state senate and of the house of representatives, with more or less of detail as to the acts and the expressions of lobby agents and of members. State officials of peculiar and special responsibility in the care of the financial honor of the state were the objects of like charges of corruption and bribery.

It was not only the current report and the testimony of witnesses that negroes and land were freely transferred to influence votes, but darker crimes were suspected. A senator, who had borne witness to the corruption and who was expected to confess complicity in the same, being murdered in his own house, the murder was attributed to the motive, "that he, together with his testimony, might be consigned to oblivion." The history of the transaction involves the name of nearly every man at the time connected with the administration of the state government.

While the popular verdict was that the corruption was almost universal, there were individuals who even in the rumors of the hour kept a clean name before the public, and saved the state from the disgrace of unanimous dereliction of its legislators and its officials to their trusts.

The alienation of so vast a body of fertile land, under such suspicious circumstances and for so insignificant a price, appears to have produced a great excitement among the people of Georgia. A new legislature was chosen, whose members proceeded, as far as in them lay, to undo the work of their predecessors, by passing, February 13, 1796, an act "declaring null and void a certain usurped act passed by the last legislature of this state, at Augusta, on the 7th day of January, 1795, under the pretended title of: An act supplementary to an act entitled an act for appropriating a part of the unlocated territory thereof for the protection of the frontier, and for other purposes". This act, after declaring the act by which the territory was sold to be unconstitutional, passed by usurped authority, fraud, and collusion, declared the whole void, and all grants obtained under it "annulled, rendered void, and of no effect; and as the same was made without constitutional authority, and fraudulently obtained, it is hereby declared of no binding force and effect on this state or the people thereof, but is and are to be considered, both law and grants, as they ought to be, *ipso facto*, of themselves void, and the territory therein-mentioned is also hereby declared to be the sole property of the state, subject only to the right of treaty of the United States to enable the state to purchase, under its pre-emption right, the Indian title".

All documents and deeds connected with the purchase were ordered to be expunged from the books of record of the state, and the act itself to be publicly burnt. The governor was directed to return, to those who had *bona fide* paid it, the money received into the treasury for the land.*

"Then," says Mr. Troup, of Georgia, in his speech of March 8, 1814, "such a scene of fraud, iniquity, and depravity was exhibited, that the governor, familiar as he had been with such scenes but a short time before, blushed, and shut the doors of the treasury against them. Men concerned in this transaction, but who had not deposited one dollar, by perjury, forgery, or some other crime, drew thousands from the treasury".†

On the 24th day of April, 1802, Georgia ceded to the United States all her territory south of the state of Tennessee and west of the Chattahoochie river. By the terms of the cession the United States was to pay Georgia, out of the first net proceeds of the sales of the land thus ceded, $1,250,000, and to have the right to reserve 5,000,000 acres, or the proceeds of their sale, for the purpose of satisfying any claims which might be made to any part of the ceded territory.‡

The question now came up: what were those claims? Besides the claimants under Spanish, French, and British grants, and those held from Georgia under actual survey and settlement, whose title was not, as a general thing, disputed, the grantees under the repealed act of January 7, 1795, and purchasers under them, claimed nearly the whole territory. It appeared, on investigation, that the following companies were the claimants, and had paid into the treasury of Georgia, as stated:

Georgia Company	$250,000
Georgia Mississippi Company	155,000
Tennessee Company	60,000
Upper Mississippi Company	35,000
Total	500,000

Beside these companies the New England Mississippi Land Company claimed a large portion of the original purchase, or pretended purchase, of the Georgia Mississippi Company, by transfer from said company, and there were a large number of citizens' rights, so-called, being claims of individuals who had purchased tracts from the different companies.

*American State Papers, "Public Lands," vol. i, pp. 156–158.

†Annals of 13th Cong., p. 1839.

‡American State Papers, "Public Lands," vol. i, pp. 125, 126.

Although the four original companies had paid into the treasury of Georgia the half million dollars required by the terms of the act of January 7, 1795, yet of this they had withdrawn, under the act of February 13, 1796, $310,695 14⅔, leaving the sum of $189,304 85⅓ actual expenditure.* For this insignificant sum, then, they claimed to hold the fee-simple title to nearly 50,000,000 acres of as fertile land as is to be found on the continent, on the ground that the state of Georgia, by her constituted authorities, had sold and transferred the territory to them, and that no power existed in any legislature to undo the work of its predecessor where a right had become vested.

The New England Mississippi Land company claimed that even if the original title had been secured by fraud and corruption, yet they were themselves innocent purchasers, buying before the repeal of the act, under the faith of deeds confirmed by the broad seal of the state, and without notice of fraud. But as the state of Georgia, notwithstanding she had formally sold and transferred the lands to them, had subsequently sold and transferred the same territory to the United States for the sum of $1,250,000, the five companies proposed, January 19, 1803, to also sell their rights in the same to the United States, for the sum of $10,000,000, of which $452,000 was to go to the holders of citizens' rights, and $9,548,000 to be paid to the representatives of the companies.†

The debates on this subject took a very wide range in Congress, and the question was not settled until eleven years afterward. On the one hand it was alleged that the claimants were entitled to the land, it having been sold to them by Georgia, and that the attempt of the succeeding legislature to destroy the title was of no effect, as being directly contrary to the provision of the Constitution which forbids the passage of any law to impair the obligations of contracts.

On the other hand it was said that there had never been a real sale to these companies; that no contract existed to be impaired, as fraud vitiates all contracts, and no contract existed in a legal and equitable sense; that the constitution of the state of Georgia gave her representatives no right to rob and plunder the people; that even the claimants no longer asserted the validity of the law, but threw themselves on the mercy of Congress; and that it was evident that, while we might vote a small sum as a gratuity or to quiet the shadow of title, we could not pretend to purchase, as a reality, a title obtained, as was said, "where the corruption in which the transaction was engendered, was a corruption without example in history."

It seems to have been thought by the majority of Congress that the titles of the companies and those claiming under them, though obtained by fraud, were of sufficient weight to interfere materially with the settlement of the Mississippi territory, and it was therefore best to extinguish them by a compromise.

On the 26th of March the bill to compromise with the claimants passed the House of Representatives by yeas 84, nays 76, and became a law March 31, 1814 (3 Statutes, 116). It directed certificates of stock, not bearing interest, payable out of the first money in the treasury of the United States arising from the sale of public lands in the Mississippi territory, after the money due to the state of Georgia and the expenses of surveying the lands had been satisfied, to be issued to an amount not exceeding $5,000,000, of which not exceeding $4,750,000 was to go to the representatives of the companies and $250,000 to the holders of citizens' rights.

Under this act the Mississippi stock, as it was called, was issued to the amount of $4,282,036 92. This stock was receivable in part payment for lands in the territory.

TEMPORARY LOAN AND TREASURY NOTES OF DECEMBER, 1814.

It will be seen by reference to what has been said on the "Six per cent. loans of 1814", authorized by the act of March 24, that the treasury still held an unexecuted authority to borrow the sum of $7,104,576 74. But the loans effected had only been obtained at an enormous discount; the probability of obtaining more, except at a still greater discount, was doubtful; and there was pressing need for money to carry on the war.

Congress had adjourned, in April, to meet the last Monday in October, more than a month earlier than usual; but the financial outlook was so alarming that the President summoned them to meet on the 19th of September. It would seem as though more authority to borrow was not needed, but Congress nevertheless proceeded to pass an act to authorize another loan for three millions, which was approved November 15, 1814 (3 Statutes, 144).

Under the provisions of this act "authority was given to raise, by loan, a sum not exceeding $3,000,000 (particularly destined to provide for the expenditures of the last quarter of the year 1814), and to create stock for the amount, reimbursable at any time after twelve years from the 31st of December, 1814. No limitation was prescribed as to the rate of interest or the price of the stock; but it was declared that, in payment of subscriptions to this loan, or to loans authorized by any other act of Congress, it should be lawful to receive treasury notes becoming due on or before the 1st of January, 1815, at their par value, together with the interest accrued. The payment of the interest, and the redemption or the purchase of the stock to be thus created, were charged upon the sinking fund; but the act contained these further assurances: (1st) That in addition to the annual sum of $8,000,000 heretofore appropriated to the sinking fund, adequate and permanent funds should be provided and appropriated, during that session of Congress, for the payment of the interest and the reimbursement of the principal of the stock; and (2d) that an adequate and permanent sinking fund, gradually to reduce, and eventually extinguish, the public debt contracted during the war, should also be established during the same session

*American State Papers, "Public Lands," vol. i, pp. 149, 150. †Ibid., pp. 151, 159.

Congress".* No stock was issued under this act, however, but the sum of $1,450,000 was borrowed from the banks under special contracts. A new issue of treasury notes was considered more desirable than the issue of more stock, which could be realized in cash only by the payment of a ruinous discount. Many of the banks of the country had suddenly suspended specie payments, and their notes, which had been payable on demand, now formed a depreciated and doubtful circulating medium. Treasury notes, receivable everywhere for dues and customs, and guaranteed by the United States, were better than these, and it was determined to make a new issue of them. A bill for that purpose was introduced in the House of Representatives December 5, passed the House on the 8th, the Senate on the 22d, apparently without debate, and was approved December 26, 1814 (3 Statutes, 161). It was entitled "An act supplemental to the acts authorizing a loan for the several sums of twenty-five millions of dollars and three millions of dollars", and provided that, in lieu of the money authorized to be borrowed by those acts and not yet obtained, there should be issued treasury notes, but not to exceed the sum of $7,500,000. It also provided for a further issue of $3,000,000 to defray the expenses of the War Department for the year 1814, in addition to the sums before appropriated by law for that purpose. The notes were to bear interest, to be reimbursable, and receivable in like manner with those issued under the act of March 4, 1814, and the same authority was given to employ agents to make sale of them. Under this act notes to the amount of $8,318,400 were issued.

DIRECT-TAX LOAN.

An attempt was made, after the passage of the act of January 9, 1815, to anticipate a part of the revenues of the year, by borrowing money and pledging, for its repayment, the sum which should be raised under the act for laying a "direct tax".†

There was apparently pressing need of money, though the necessity was not so great as it seemed. The heavy expenses estimated for the year were principally for carrying on the war with Great Britain, and this war had been formally closed by the treaty of peace, signed at Ghent, December 24, 1814, but the fact was not yet known in this country, and preparations for continuing the struggle still went on. While Congress was debating the bill for laying a direct tax, a powerful army, commanded by the British General Pakenham, was threatening the city of New Orleans, and on the 8th of January, the day before the bill passed, the invaders received a severe defeat from the militia of the southwest, under the command of Major General Andrew Jackson.

Secretary Dallas, in his report on the state of the treasury at the close of the year 1814 and the means to be provided for the coming year, estimated the expenditures necessary during the year 1815 at $56,032,034 69, and the revenue from existing sources at $15,125,909 83, leaving a deficiency of $40,906,124 86 to be provided for.‡ A part of this deficiency it was proposed to raise by direct taxes, and an act passed Congress, and was approved January 9, 1815, for laying a direct tax of $6,000,000, proportioned among the several states according to population. Section 42 (3 Statutes, 179) provided that the President might authorize the Secretary of the Treasury to anticipate the collection of the tax by obtaining a loan on the pledge of the direct taxes to an amount not exceeding $6,000,000, at a rate of interest not exceeding 6 per cent. per annum. This clause does not seem to have formed the subject of debate in Congress. Very little was done under this provision of the act. It was impossible to raise money when it was passed, at 6 per cent. interest, without submitting to a heavy discount. Had the war continued the discount would probably have been paid, but the news of peace, received soon after the passage of the act, rendered anticipations of the revenue unnecessary. The sum of $200,000 was borrowed during the year 1815, at par, under the authority thus granted, and it was redeemed the same year.

TEMPORARY LOAN OF 1815.

The damage done to the public buildings in the city of Washington, by an incursion of the enemy on the night of August 24, 1814, gave rise to this loan. The President's house was burned, and the Capitol was seriously damaged. They did not attempt to blow up the building, being probably short of powder, but tried to fire it. Its solidity, however, prevented its receiving extensive damage in that way, and the few hours the enemy were able to hold the city did not allow of extended efforts at its destruction. The next session of Congress was held in a

* American State Papers, "Finance," vol. iii, p. 5.

† The term "direct tax", in the history of United States finance, has a significance widely different from that which it possesses in general economical literature or which would be attributed to it in other countries. By the third clause of the second section of the first article of the Constitution it is provided that "representatives and *direct taxes* shall be apportioned among the several states which may be included within this union, according to their respective numbers," &c., &c. From this it follows, for example, that if the population of the United States be fifty millions, and that of Massachusetts two millions, Massachusetts must be assessed to the extent of four per cent., no more and no less, of every "direct tax". Under this provision of the Constitution the term "direct tax" has acquired, through legislative action and by the decisions of the Supreme Court, a highly technical and closely restricted meaning. A tax on incomes, for instance, is not a direct tax: New York, though containing only one-tenth of the population of the United States, may constitutionally pay one-fifth of an income tax. A tax on carriages is not a direct tax. The principal direct taxes levied under the provisions of the Constitution above cited have been taxes on lands and houses and on slaves.

‡ American State Papers, "Finance," vol. ii, pp. 886, 887.

building on First street east, fitted up temporarily for this purpose and known for many years afterward as the "Old Capitol". At this session a bill was introduced to repair or rebuild the Capitol, President's house, and public buildings, and authorizing a loan of $500,000, at an interest not exceeding 6 per cent., from any bank or banks within the District of Columbia, or individuals, to be applied exclusively to that object. It was approved February 13, 1815 (3 Statutes, 205), and under this authority $225,000 was borrowed from the banks in the District. During the debate, a suggestion was made that the Capitol ought either to be removed to some other part of the Union, or other localities for the executive departments be chosen if Washington was still to remain the seat of government.

The debate throws some light on the condition of things in the city at that time, twenty-four years after the District was laid out. Mr. Fromentin, a senator from Louisiana, said:

> When I cast my eyes on this wilderness, dignified with the name of a city—a city, to be sure, very unlike that old-fashioned one in Europe alluded to by the Irishman, who, when placed in the middle of it, complained that he couldn't see the city for the houses—sir, we run no risk of hearing any such complaints about this city. Every Irishman who arrives here may have a full view of the whole ground at once. None of those incumbrances called houses limit the boundless prospect; or, if there be a few, he may among those few open a complaisant gap, through which his inquisitive eye may pierce to a distance limited only by the foot of the surrounding hills. But, sir, the subject is too serious to admit of its being treated with levity. Let me then return to it, and seriously inquire about the present state and future prospects of this city. What do we see here? Twelve or fifteen clusters of houses at a considerable distance from each other, bringing to our recollection the appearance of a camp of nomad Arabs, which, however, if connected together, would make a respectable town, not much inferior, perhaps, to the capital of Virginia, and here and there an isolated house; the whole of it, when seen from the ruins of our public edifices, looking more like the place where proud Washington once stood than where humble Washington now lies. If such is the situation of the city after fifteen years since the government removed here, during the first six years of which period there prevailed not only in this country, but all over Europe, a degree of enthusiasm bordering on madness respecting the future destinies of this metropolis, and during which period of six years, too, this country still enjoyed the benefits of the administration of Washington, whose good deeds for several years after his death were still in force—Washington in his tomb still securing the prosperity of his beloved country!—if, sir, such be now the situation of this city, what, in the present state of things, are our prospects for the future? Awful, indeed! How many ages must elapse before this chaos is likely to assume anything like a describable shape? How many before these disjointed, distracted, warring elements may be brought together so as to form a whole, which may entitle it to be called what it now purports to be, but is not? Is it not time, then, that we give up the unsuccessful experiment? Is it not time that we should adopt less lofty ideas; that we should assume sentiments, that we should express opinions more conformable to our present situation? *Troja fuit, Ilium fuit.* * * * I am sensible that by so doing we would seem to punish the people of this District for having placed too much confidence in our words. In our words, did I say? In our acts, sir! Look at the new ruins of the monuments on yonder hill. Were these massy walls, which have set at defiance the whole power of an enemy bent on their destruction, intended to last only the short space of a dozen years? In these surviving walls I read, in characters not to be effaced, the contract of the nation with the people of this District. I find in these walls an agreement signed, sealed, and delivered. Certainly, sir, you must be convinced from what I have said that I do not dissemble to myself, and that I am not willing to conceal from others, the equity of the claims of the people of this District. * * * But, sir, if we are to remain here as we now are, with no more cheering prospects than those presented in the bill now on the table, I do not hesitate to declare that any place in the United States appears to me preferable to Washington; and the sooner we go, no matter how heavy the compensation justly due to the inhabitants of this District, the better. (Benton's Abridgement, vol. v, p. 306, *et seq.*)

Despite the senator's eloquence, however, Congress concluded to remain in Washington, and passed the bill to repair the damages; perhaps convinced by the arguments of Mr. Lewis, of Virginia, who said that no changes ought to be made, nor should the plan of the city be altered, because "it was a plan sanctioned by that great and good man whose name it bears. What that man has done, let no mortal attempt to undo, for his ways are not to be mended by man. This house is not competent to do it". He considered "the two public edifices, the foundation stones of which our ever-to-be-revered hero, statesman, and patriot laid, as permanently fixed by public faith". It is probable that few members of Congress, seeing that the result of twenty-four years' effort was but some half-ruined buildings and "twelve or fifteen clusters of houses", or straggling villages, without trade or commerce, could have anticipated the time when the fair city of to-day should stand a worthy monument of its founder, showing an increase in population and wealth equaled by few places in the Union.

SEVEN PER CENT. STOCK—TREASURY NOTES—SMALL TREASURY NOTES—TREASURY-NOTE STOCK OF 1815.

It will appear from the remarks on the direct tax loan that the estimated deficiency in the revenue of the nation for the year 1815 was $40,906,124 86. It was proposed to raise this amount partly by direct taxes on land, inheritances, legal instruments, flour, dividends of banks, sales of stocks of incorporated companies, and incomes, partly by loans, and partly by new issues of treasury notes.

A bill to authorize the issue of treasury notes for the service of the year was reported in the House of Representatives January 30, 1815, and referred to a committee of the whole. The bill appears to have passed through its several stages in both houses without discussion. As first reported, it proposed an issue of $15,000,000 in notes, redeemable in five annual installments of $3,000,000 each, for which the land tax was pledged. Connected with this plan was the intention to propose a loan of $25,000,000. The bill was amended in committee of the whole, to provide for an issue of $25,000,000 in treasury notes. This amendment, as reported, was connected with osed loan of $15,000,000, thus reversing the proportion of loan and treasury notes. The bill passed finally, ne further slight amendments, and was approved February 24, 1815 (3 Statutes, 213.) News of the signing

of the treaty of peace was received a few days before the bill passed, rendering it no longer necessary as a war measure, but it was nevertheless carried through, to afford means of paying off the arrearages of the war, and to give a circulating medium to the country superior to the paper of the suspended and doubtful state banks.

The act authorized the issue of $25,000,000 in treasury notes, of such denominations as the Secretary of the Treasury, with the approbation of the President, should direct. Notes of less than $100 were to be payable to bearer, transferable by delivery alone, and were to bear no interest. Notes of $100 and upward were to be made payable to order, transferable by delivery and assignment indorsed on the notes, and were to bear an interest of 5⅔ per cent. per annum from the day they were issued. The holders of these notes might present them at the treasury at any time, in sums of not less than $100, and be entitled to receive therefor certificates of funded stock, bearing interest, the stock issued for notes of less than $100 to bear an interest of 7 per cent., and that issued for notes of $100 and upward to bear an interest of 6 per cent. per annum, this interest to be payable quarter-yearly. The United States were to have the right to redeem these certificates at any time after December 31, 1824.

The Secretary of the Treasury was authorized to cause the notes which should be surrendered in exchange for funded stock, and also those received by the United States for taxes, dues, or demands, to be reissued and applied anew as when originally issued. The notes were to be received, principal and interest due, in all payments to the United States; and in such payments the interest on the interest-bearing notes was to be computed at 1½ cent per day on every $100 of principal, and each month was to be computed as consisting of thirty days. The notes were to be issued at par, in payment for services, supplies, or debts, to such persons as were willing to receive them, and the Secretary of the Treasury was authorized to borrow money on the credit of the notes, or to sell them, not under par, or to deposit them in such banks as would receive them and give credit therefor to the treasurer of the United States.

The act also allowed the funding of any treasury notes issued under laws previously passed upon the same terms and in the same manner as prescribed in this act for the notes to be issued under it, bearing an interest of 5⅔ per cent.

The notes issued under this act were denominated at the treasury, for convenience, the "small" and "large" treasury notes, the small notes being all less than $100 each, fundable at 7 per cent. interest, and the large notes, those of $100 and upward, fundable at 6 per cent. When received for dues and imposts, or funded stock, they were again put in circulation, each reissue being of course equivalent to a new issue, but of these reissues no separate account appears to have been kept. Of the small notes the original issue appears to have been $3,392,994. These, as received and funded in 7 per cent. stock, were reissued and again received and funded, until the 7 per cent. stock amounted to $9,070,386. Of the large notes the original issue was $4,969,400, of which there were funded from the original issues and reissues $1,505,352 18.

Secretary Dallas reported, February 24, 1815, that the public debt had been increased, in consequence of the war with Great Britain, $68,783,122 13.* But as the treasury notes issued and redeemed or funded under the act of February 24 were used mainly to pay off arrearages of the war, the amount so used should be added to the sum stated by the Secretary. We may, therefore, safely state the increase of the public debt caused by the war at nearly eighty-eight millions of dollars.

SIX PER CENT. LOANS OF 1815.

A large portion of the war debt at the close of the year 1814 was due and unpaid, while another considerable portion was fast becoming due. These unpaid or accruing demands were in part for temporary loans obtained under the act of March 14, 1812, and the balance for treasury notes issued under various acts, and by the terms of their issue either due or maturing daily. When the news of peace was received, it was evident that the expenses would be reduced, while the revenues of the United States would be much increased by the revival of commerce and the renewal of the importations which had been stopped by the war; yet, under the system of credit for duties allowed by the government, it would be many months before this increase could reach the treasury, where it could be used to pay off the millions of dollars of government paper afloat and unpaid.

The Secretary of the Treasury, in his report of February 24, 1815, estimated the amount due or soon to become due for temporary loans and treasury notes at $18,452,800.*

A bill to authorize a loan for ——— dollars was introduced in the House of Representatives February 25, 1815, and appears to have passed both houses almost without debate. It was considered in committee of the whole March 2, when Mr. Eppes, chairman of the committee of ways and means, expressed his regret that the bill had been delayed to so late a period of the session—a delay, however, which had not arisen from any neglect on the part of the committee of ways and means, but from the pressure of other business. The loan necessary for the present year was for the purpose of redeeming treasury notes charged on the sinking fund. Of these notes there would fall due in the year 1815 eight millions and upward, and in the month of March, 1815, $10,000,000, being the whole amount in circulation, viz, $18,452,800. The loan might be confined to the amount of notes payable during the year, but as the notes due in 1816 might return to the treasury as a part of the receipts of 1815, being receivable in

*American State Papers, "Finance," vol. ii, p. 917.

payment of all debts due the United States, it had been thought better to authorize a loan for the whole amount. He therefore moved to fill the blank with the sum of $18,452,800. This motion was agreed to. The act was approved March 3, 1815 (3 Statutes, 227). It authorized the President to borrow, on the credit of the United States, a sum not exceeding $18,452,800, to be applied to defray any expenses which had been or might be authorized by law during the year. No engagement was to be entered into, which should preclude the United States from reimbursing any sum borrowed under the act at any time after the expiration of twelve years from December 31, 1827.

The Secretary of the Treasury was to lay before Congress, during the first week in February, 1816, an account of all proceedings under the act.

Authority was given to employ agents for the purpose of obtaining subscriptions or selling the stock of the new loan, at a commission of not exceeding one-quarter of 1 per cent., and $30,000 was appropriated to pay their commissions. The surplus of the sinking fund was pledged for the payment of the interest and the reimbursement of the principal. Banks in the District of Columbia were allowed to lend any part of the sum authorized to be borrowed, anything in their charters to the contrary notwithstanding.

Treasury notes actually issued before the passage of the act, and charged by law upon the sinking fund, were to be receivable, both principal and interest due, in payment of subscriptions.

The last clause of the act related to interest on treasury notes, and authorized the payment of interest on such notes, due and unpaid, until the time when funds should be assigned for their payment and notice thereof given. The rate of interest and discount was not limited.

It was found impossible to place much of the loan at par, even though payment of the subscriptions was only required in treasury notes or in the depreciated paper of the state banks, owing to causes set forth in the report of the Secretary of the Treasury, December 8, 1815:*

At the close of the last session of Congress the demands on the treasury were interesting in their nature as well as great in their amount. Exclusive of the ordinary expenses of the government, they consisted of demands for the payment of the army, preparatory to its reduction to the peace establishment, with other very heavy arrearages and disbursements in the War and Navy Departments; for the payment of the dividends on the funded debt, and of the arrearages as well as the accruing claims on account of the treasury-note debt; and for the payment of the Louisiana dividends, with other considerable debts contracted in Europe in consequence of the late war.

The efficiency of the means which were possessed for the liquidation of these demands depended upon circumstances beyond the control of the government. The balance of money in the treasury consisted of bank credits, lying chiefly in the southern and western sections of the Union. The revenue proceeding from the provision made prior to the last session of Congress was, comparatively, of small amount. The revenue proceeding from the provision made during that session could not be available for a great portion of the present year, and, in both instances, the revenue was payable in treasury notes, or it assumed the form of bank credits, at the respective places of collection. The only remaining resources for immediate use were an additional issue of treasury notes and a loan; but the successful employment of these resources was rendered for some time doubtful by the peculiar situation of the credit and currency of the nation.

The suspension of specie payments throughout the greater portion of the United States and the consequent cessation of the interchange of bank notes and bank credits between the institutions of the different States, had deprived the treasury of all the facilities of transferring its funds from place to place; and a proposition which was made, at an early period, to the principal banks of the commercial cities, on the line of the Atlantic, with a view in some degree to restore those facilities, could not be effected for the want of a concurrence in the requisite number of banks. Hence it has happened (and the duration of the evil is without any positive limitation) that, however adequate the public revenue may be, in its general product, to discharge the public engagements, it becomes totally inadequate in the process of its application, since the possession of public funds in one part no longer affords the evidence of a fiscal capacity to discharge a public debt in any other part of the Union.

From the suspension of specie payments and from various other causes, real or imaginary, differences in the rate of exchange arose between the several states and even between the several districts in the same state; and the embarrassments of the treasury were more and more increased, since Congress had not sanctioned any allowance on account of the rate of exchange, and the amount of the legislative appropriations was the same wherever the legislative objects were to be effected. But the treasury notes partook of the inequalities of the exchange in the transactions of individuals, although the treasury could only issue them at their par value. The public stock, created in consideration of a loan, also partook of the inequalities of the exchange, although to the government the value of the stock created and the obligation of the debt to be discharged were the same wherever the subscription to the loan might be made.

Thus, notwithstanding the ample revenue provided and permanently pledged for the payment of the public creditor, and notwithstanding the auspicious influence of peace upon the resources of the nation, the market price of the treasury notes and of the public stock was everywhere far below its par or true value for a considerable period after the adjournment of Congress, vibrating, however, with a change of place, from the rate of 75 to the rate of 90 per cent. Payments in bank paper were universally preferred during that period to payments in the paper of the government; and it was a natural consequence that wherever the treasury failed in procuring a local currency it failed also in making a stipulated payment.

Under these extraordinary and perplexing circumstances the great effort of the treasury was, 1st, to provide promptly and effectually for all urgent demands, at the proper place of payment, and for the requisite amount of funds; 2d, to overcome the difficulties of the circulating medium, as far as it was practicable, so that no creditor should receive more and no debtor pay less, in effective value, on the same account, than every other creditor or every other debtor; and, 3d, to avoid any unreasonable sacrifice of the public property, particularly when it must also be attended with a sacrifice of the public credit. It was not expected that this effort would everywhere produce the same satisfaction and the same results; but the belief is entertained that it has been successful in the attainment of its objects to the extent of a just anticipation.

Under the act certificates of stock to the amount of $12,288,147 56 were issued and cash to the amount of $11,690,326 63 received therefor, an average discount of about 4¼ per cent. Redemption of this stock began in the year 1817 and was completed in 1835.

*American State Papers, "Finance," vol. iii, p. 10.

A temporary loan of $1,150,000 was also obtained under this act, at par, making the total amount of debt contracted under it $13,438,147 56, yielding in cash $12,849,326 63.

FIVE PER CENT. LOAN OF 1816.

The annual message of James Madison, President of the United States, sent to Congress December 5, 1815, contained the following paragraph in relation to a national currency:

> It is essential to every modification of the finances that the benefits of a uniform national currency should be restored to the community. The absence of the precious metals will, it is believed, be a temporary evil, but, until they can again be rendered the general medium of exchange, it devolves on the wisdom of Congress to provide a substitute which shall equally engage the confidence and accommodate the wants of the citizens throughout the Union. If the operation of the State banks cannot produce this result, the probable operation of a national bank will merit consideration, and if neither of these expedients be deemed effectual, it may become necessary to ascertain the terms upon which the notes of the government (no longer required as an instrument of credit) shall be issued, upon motives of general policy, as a common medium of circulation.

The Secretary of the Treasury, in his annual report on the state of the finances, laid before the House December 7, 1815, advised the creation of a United States bank as a remedy for the evils of a depreciated currency. In this report he said:*

> The establishment of a national bank, authorized to issue notes which will be received in all payments to the United States, is regarded as the best and perhaps the only adequate resource to relieve the country and the government from the present embarrassments. The circulation of its issues will be coextensive with the Union, and there will exist a constant demand, bearing a just proportion to the annual amount of the duties and taxes to be collected, independent of the general circulation. A national bank will, therefore, possess the means and the opportunity of supplying a circulating medium of equal use and value in every state and in every district of every state.

The committee on a national currency having directed their chairman, Hon. John C. Calhoun, to request from Mr. Dallas his views on certain points relating to the currency, the Secretary, in reply, December 24, 1815, sent a plan for the establishment of a United States bank, with arguments in its favor.

Mr. Calhoun, as chairman of the special committee, reported to the House, January 8, 1816, a bill to incorporate the subscribers to the Bank of the United States. It was first considered in committee of the whole February 26, and was under discussion for about two weeks. The constitutional questions, which had occupied so much time in discussing the bill for chartering the first Bank of the United States, received little attention. The debate turned principally on the advantages and disadvantages of a national bank, on the details of the bill, and on the question whether it was possible, through its aid, to correct the evils of the miserably depreciated paper that then formed almost the sole currency.

The bill passed the House March 14, 1816, by a vote of 80 yeas to 71 nays.

An analysis of the vote shows that it was not as sectional as the vote to charter the first Bank of the United States, and that the locality of the opposition had changed. A considerable majority of southern members voted for the bill, while there was a small majority from the North and East against it.

The debate in the Senate was principally confined to some of the details of the bill, and but little was said on the general question, or on its constitutional aspects. It passed the Senate, with some slight amendments, April 3. The amendments were concurred in by the House, and the bill became a law April 10, 1816 (3 Statutes, 269).

It provided that a Bank of the United States should be established, with a capital of $35,000,000, divided into 350,000 shares of $100 each. Seventy thousand of these shares, equivalent to $7,000,000, were to be subscribed by the United States, payable in coin, or in stock of the United States bearing interest at 5 per cent. per annum, redeemable at the pleasure of the government. This stock the bank was to have the right to sell for gold and silver coin or bullion, but not to sell more than $2,000,000 thereof in any one year. Subscriptions were to be opened on the first Monday of July, 1816, at one place in each state, and at Washington. Subscriptions by individuals, corporations, or states were to be payable one-fourth in gold or silver coin, and three-fourths in the funded debt of the United States, or in coin, to be paid in three installments, 30 per cent. at the time of subscribing and the balance in six and twelve months.

For the management of the affairs of the corporation there were to be twenty-five directors, five of whom (stockholders) were to be appointed by the President of the United States with the advice and consent of the Senate, not more than three of the five to be residents of any one state. No person, a director in the bank or its branches, should be a director of any other bank. Not more than three-fourths of the directors in office at the time of an annual election were to be eligible for re-election, nor was any director to hold his office for more than three years out of four, except the director who should be president at the time of an annual election, who might always be reappointed or re-elected. No one but a stockholder, a resident citizen of the United States, could be a director, nor could a director receive a salary or emoluments as such. The total amount of the debts which said corporation should at any time owe, except for money deposited in bank, was at no time to exceed $35,000,000, and in case of excess the directors under whose administration it should happen were to be liable.

* American State Papers, "Finance," vol. iii, p. 19.

The corporation was not directly or indirectly to deal in anything except bills of exchange, gold or silver bullion, goods pledged for money lent, or goods which should be the produce of its lands. It was not at liberty to purchase any public debt whatever, nor to take more than 6 per cent. per annum for its loans or discounts. An office of discount and deposit was to be established in the District of Columbia whenever a law of the United States should require; also one in each state in which 2,000 shares of stock should be subscribed or might be held, whenever, at the request of the legislature of the state, Congress might by law require it, and the directors were to have the right to establish such offices of discount and deposit wheresoever they should think fit, in the United States or the territories thereof. The Secretary of the Treasury was to be furnished whenever he required it, but not oftener than once a week, with statements of the condition of the bank.

The notes of the bank, payable on demand, were to be received in all payments to the United States. No note was to be issued of less than $5. The bank was not at any time to suspend or refuse payment, in gold or silver, of any of its notes, bills, or obligations, nor of moneys received on deposit. The penalty for refusing to pay said obligations or deposits in coin was to be 12 per cent. per annum until fully paid and satisfied. No other bank was to be established by the authority of the United States during the continuance of the corporation except banks in the District of Columbia, with an aggregate capital in said District of not exceeding $6,000,000. In consideration of the exclusive privileges conferred on the corporation by the act, it was to pay to the United States a bonus of $1,500,000, in three equal payments, at the expiration of two, three, and four years.

The government subscription of $7,000,000 authorized by the act was made in stock, bearing an interest of 5 per cent., redeemable at pleasure, while the remainder of the stock of the bank was eagerly taken by private parties, and the bank went into operation January 1, 1817.

In 1837 and 1838 the stock in the bank belonging to the nation was nearly all sold at a heavy premium, and the proceeds paid into the United States treasury.

As a financial operation on the part of the government it proved a success, resulting as follows:

Received as bonus		$1,500,000 00
Received from dividends		7,118,416 29
Received from sale of bank stock		9,424,750 78
		18,043,167 07
Less for subscription	$7,000,000	
Less 13 years' interest	4,550,000	
		11,550,000 00
Showing an excess of receipts over disbursements		6,493,167 07

FIVE AND SIX PER CENT. LOANS OF 1820.

The report of the committee of ways and means of the House of Representatives, April 14, 1820, showed that there remained in the treasury, in available funds, on the 1st of January preceding, only the sum of $245,665 35. The total amount of expenditures for the year 1820 already authorized by law was $26,299,164 30, while the estimated revenue was $22,280,000, leaving a deficit of $4,019,164 30; or, deducting balance in the treasury of $245,665 35, the deficit for the year would be $3,773,498 95; which might be partially met by using, if thought proper, the surplus of the sinking fund, amounting to $2,288,497 29, when the actual deficit would be $1,485,001 66. They therefore reported a bill to authorize a loan of $2,000,000.*

The committee said that, while they hesitated to recommend a loan, they believed that powerful reasons existed against a resort to internal duties and direct taxes in a period of profound tranquillity, the nation having been accustomed to a system of taxation (through the duties on imports) which, in its operation, had been paid without being perceptibly felt. They thought that economy and retrenchment in the expenditures of the government had become imperatively necessary, especially under the state of things that then existed, when the extraordinary depression of commerce, the stagnation of our navigation, the depreciation in the value of our exports and of property of every description, and the serious embarrassments under which all branches of industry labored, had compelled economy and retrenchment in the expenditures of every citizen, and had seriously affected the national finances. The excess of expenditures over revenue had, however, arisen principally from the heavy payments made in redemption of the public debt, continued through a series of years. The original sinking fund of $7,300,000 per annum, established in 1802, had been increased to $8,000,000 in 1803 and to $10,000,000 per annum in 1817, with an additional appropriation for that year of $9,000,000. From this fund $32,085,750 of the public debt had been redeemed since the 1st of January, 1817, and large outstanding claims, amounting to over $30,000,000, resulting the late war with Great Britain, had been paid.

The House, on the 4th of May, resolved itself into a committee of the whole on the bill, when a debate arose motion to so amend it as to authorize a loan of five millions instead of two.

*Annals of 16th Cong., 1st sess., p. 1837, *et seq.*

Mr. Trimble, of Kentucky, and others, took the ground that at least $5,000,000 would be required, as the deficit would be much more than the amount stated by the committee, and to use the surplus of the sinking fund, as suggested in the report, would be a violation of the public faith, that fund being pledged for the redemption of the national debt.

It was said, on the other hand, that two millions would be sufficient, and that there could be no violation of the public faith in using the surplus of the sinking fund to reduce the expected deficit, as it was lying idle in the treasury, and would certainly be as well employed in preventing an increase of the public debt as in redeeming it after it had been created.

A motion was finally made to make the amount to be raised by loan three millions, which prevailed by yeas 65, nays 50.*

The bill passed the House in this form; but the Senate attempted to amend it by inserting "five millions" in lieu of three. To this the House, after debate and the appointment of a committee of conference, refused to agree. It finally passed both houses and was approved May 15, 1820 (3 Statutes, 582). The bill provided that the President of the United States be authorized to borrow $3,000,000, at a rate of interest not exceeding 5 per cent. per annum, payable quarter-yearly, the principal to be reimbursable, at the will of the government, at any time after January 1, 1832, or to borrow that sum, at a rate not exceeding 6 per cent., payable quarter-yearly, the principal to be reimbursable at the pleasure of the United States. The second section gave the Bank of the United States authority to lend the money, or any part thereof, and provided that certificates of stock, signed by the register of the treasury or a commissioner of loans, bearing an interest of 5 per cent. per annum, might be issued and sold, but not below par. One-eighth of 1 per cent. was to be allowed as commission to agents for procuring subscriptions or making sales of the stock. The surplus of the sinking fund was pledged for the payment of the interest and the reimbursement of the principal.

Under this bill $999,999 13 were borrowed, at 5 per cent. interest, reimbursable after January 1, 1832, and $2,000,000 at 6 per cent., reimbursable at the pleasure of the United States. On the $2,000,000 a premium of 2 per cent. was obtained. This stock has all been redeemed.

FIVE PER CENT. LOAN OF 1821.

The expenditures for the year 1821 were estimated by the Secretary of the Treasury, in his report of December 21, 1820, at $21,208,483 03, and the revenue from all sources at $16,550,000, leaving a deficit of $4,658,483 03 to be provided for by taxation or new loans.† This expected deficit arose from the fact that a portion of the public debt would become due in the year 1821, the principal and interest of which amounted to $5,477,776 76.

The Secretary said that, in addition to this deficit, the sum of $1,000,000 should be provided for, so that there might remain a clear balance of that amount in the treasury at the close of the year, in order to insure the prompt discharge of all demands and place the public credit beyond the reach of accident. He therefore proposed that provision should be made for raising the sum of $7,000,000 to meet all contingencies.

To raise money by additional taxation was almost impossible. The country could pay no more, for it was still suffering from the effects of the great crisis of 1819. The report of a committee of the House of Representatives, January 15, 1821, gives a vivid picture of the general distress:‡

> It is not a matter of very great consolation to know that, at the end of 30 years of its operation, this government finds its debt increased $20,000,000, and its revenue inadequate to its expenditure; the national domain impaired, and $20,000,000 of its proceeds expended; $35,000,000 drawn from the people by internal taxation, $341,000,000 by impost, yet the public treasury dependent on loans; in profound peace, and without national calamity, the country embarrassed with debts, and real estate under rapid depreciation; the markets of agriculture, the pursuits of manufactures diminished and declining; commerce struggling, not to retain the carrying of the produce of other nations, but our own. There is no national interest which is in a healthful, thriving condition; the nation at large is not so; the operations of the government and individuals alike labor under difficulties which are felt by all. * * * The sea, the forest, the earth yield their abundance; the labor of man is rewarded; pestilence, famine, or war commit no ravages; no calamity has visited the people; peace smiles on us; plenty blesses the land: Whence, then, this burst of universal distress?

It was evident that the only means of providing for the expected deficit was by borrowing the required amount, and a bill for this purpose was reported in the House of Representatives February 26, and became a law March 3, 1821 (3 Statutes, 635). The bill as reported authorized a loan of $4,500,000, but this amount was changed by the Senate to $5,000,000, in which the House concurred. If any debate respecting the bill took place, it has not been recorded. The act authorized the President to borrow, on the credit of the United States, a sum not exceeding $5,000,000, at a rate of interest not exceeding 5 per cent., payable quarter-yearly, and reimbursable, at the will of the government, at any time after January 1, 1835, the money to be applied to defray any of the expenses which had been or might be authorized by law.

The Bank of the United States was to be allowed to lend the whole or any part of the money, and the Secretary of the Treasury was authorized to raise the money by issuing certificates of stock, and selling the same not under par.

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*Annals of 16th Cong., 1st sess., p. 2204. †American State Papers, "Finance," vol. iii, p. 580, 581. ‡Ibid, pp. 594, 595.

Agents were to be employed, if necessary, to obtain subscriptions or sell the stock at a commission of not exceeding one-eighth of 1 per cent., and $4,000 was appropriated for paying the commissions of these agents and other expenses incident to the due execution of the act.

So much of the surplus of the sinking fund as might be required was pledged for the purpose of paying the interest and for the reimbursement of the principal, and the faith of the United States was also pledged to establish sufficient revenues to make up any deficiency in the fund. The money required was very easily obtained under this act.

As is usually the case in times of great commercial distress, money was abundant in the hands of those who could not safely invest it. The general paralysis of the industries of the country had stopped the demand for money for private enterprises, and there remained little chance for safe investments except in national stocks.

Five million dollars was received in cash, most of it very soon after the passage of the bill, and for this money stock to the amount of $4,735,296 30 was issued, yielding a premium of $264,703 70, or over 5½ per cent. The redemption of this loan began in the year 1833, and was entirely completed in 1839.

EXCHANGED FIVE PER CENT. STOCK OF 1822.

This stock originated in an abortive attempt to exchange a stock bearing an interest of 5 per cent. for a part of the 6 and 7 per cents due in the years 1825 and 1826. The stocks due and redeemable in those years amounted altogether to the sum of $39,819,700, a sum far beyond the capacity of the sinking fund to meet, and the Secretary of the Treasury therefore proposed, in his report of December 10, 1821, to offer, in exchange for $24,000,000 of these stocks, a stock bearing a lower rate of interest and having a longer time to run. He said:†

> As the current value of the 5 per cent. stock created during the last and present years exceeds that of the 7 per cent. stock and of the 6 per cent. stocks of 1812 and 1813, it is presumed that the holders of those stocks will be disposed to exchange them for an equal amount of 5 per cent. stock, redeemable at such periods as to give full operation to the sinking fund as at present constituted. According to this view of the subject, $24,000,000 of the stocks, which will be redeemable in the years 1825 and 1826, may be exchanged for 5 per cent. stock, redeemable: one-third on the 1st of January, 1831, and one-third on the same days of 1832 and 1833. This exchange of 6 per cent. stock, if effected on the 1st of January, 1823, will produce an annual reduction of the interest of the public debt, from that time to the first-mentioned period, of $240,000, and an aggregate saving through the whole period of $2,160,000. If the whole of the 7 per cent. stock should be exchanged, the saving will be considerably increased.

A bill to authorize an exchange of 5 per cent. stocks for those bearing an interest of 6 and 7 per cent. was reported in the House of Representatives December 31, 1821, and considered in committee of the whole March 15, 1822. It was opposed on the ground that, if passed, it deprived the government of the option of redeeming the 6 and 7 per cent. stocks when they became reimbursable, even if able. It was said that it was not probable that money would be any higher in 1825 than in 1822; that the proper way would be to borrow the money when it became necessary to redeem the stocks; and that much of the stock to become due could be redeemed, at the proper time, by retrenching the expenses of the government and practicing strict economy.

Those who favored the bill said that there was no probability of the government being able to redeem the 6 and 7 per cent. stocks without resorting to new loans; that the price of money was rising, owing to the revival of trade and commerce; that by passing the bill a saving of $2,000,000 in interest might be effected; and that it was necessary to do it at once, as the opportunity would soon pass away.

The bill passed the House early in April by a large majority, passed the Senate with very little debate, and was approved April 20, 1822 (3 Statutes, 663). It authorized the opening of a subscription to the amount of $12,000,000 of the 7 per cent. stock and of the 6 per cent. stock of 1812, and for $14,000,000 of 6 per cent. stocks of the years 1813, 1814, and 1815. For the 6 per cent. stocks of the years 1812, 1813, 1814, and 1815 subscribed and transferred to the United States, the subscribers were to receive certificates of United States stock, bearing an interest of 5 per cent., payable quarterly, reimbursable as follows: one-third at any time after December 31, 1830, one-third at any time after December 31, 1831, and the remainder at any time after December 31, 1832.

For the sums subscribed in the 7 per cent. stock, certificates were to be issued, bearing an interest of 5 per cent., payable quarterly, redeemable at the pleasure of the United States at any time after December 31, 1833. The funds pledged by law for the payment of the interest and principal of the stocks which might be subscribed or exchanged were to remain pledged to pay the interest and redeem the principal of the stock to be created under this act. The commissioners of the sinking fund were to pay, out of the said fund, the interest which might become due on the stock and to purchase the certificates, from time to time, as they purchased other evidences of the public debt; and so much of the fund as might be necessary was appropriated for the redemption of the principal, to continue appropriated until the whole of the stock created was reimbursed. Nothing in the act was to be construed to abridge or impair the rights of such public creditors as did not choose to subscribe.

The attempt to effect an exchange of stocks almost entirely failed, only a very small sum having been subscribed for 5 per cent. stock.

* American State Papers, "Finance," vol. iii, p. 684.

The Secretary of the Treasury, W. H. Crawford, in his report on the state of the finances for December 23, 1822, says:

Under the act of the 29th of April, authorizing the exchange of certain portions of the public debt for 5 per cent. stock, $56,704 77 only have been exchanged. The increased demand for capital for the prosecution of commercial enterprises during the present year, and the rise in the rate of interest consequent on that demand, which was not anticipated at the time the measure was proposed, have prevented its execution.

This stock was redeemed in 1833.

SIX AND A HALF PER CENT. LOAN OF 1824.

By the act of May 24, 1824 (4 Statutes, 33), the sum of $5,000,000 was borrowed to provide for the awards under the treaty with Spain of February 22, 1819. This treaty was negotiated to settle the boundary which was disputed by Spain, and to extend the sovereignty of the United States over Florida. This province, with West Florida, acquired by Spain by conquest from Great Britain during the Revolution, had been confirmed in her possession under the treaty of 1783. Commanding the mouths of rivers flowing our southern border, and inhabited by warlike tribes of Indians, its possession by Spain had been a source of trouble to the United States.

Indian wars and local insurrections, extending through many years, appear to have convinced Spain that it would be difficult or impossible to hold Florida, while it is probable that it was not worth the expense of holding. The Spanish minister at Washington, in 1719, had agreed to and signed a treaty for the cession of East and West Florida, and fixing the boundary between Louisiana and Mexico. In consideration of the cession of the provinces, the United States agreed to pay claims for spoliations on American commerce and some other claims of American citizens to the same to an amount not exceeding $5,000,000; also to make satisfaction for injuries to Florida by the operations of United States troops. This treaty was signed at Washington, but was not ratified by the king of Spain until October 24, 1820.*

The indemnity was to be paid either in cash or in 6 per cent. stock, payable out of the proceeds of lands in Florida, and a board of commissioners was to be appointed to receive, examine, and validity of these claims.

The issue of new stock to an amount not exceeding $5,000,000, to provide for the awards under the treaty with Spain, was reported in the House of Representatives January 8, and considered in Committee of the whole May 7, 1824.† It was opposed, on the ground that the money was not yet needed, as the commissioners had not yet adjudicated the claims, and that, as it was doubtful if Florida, described as "a region of swamps, frogs, serpents, and alligators", was worth the money, the United States should wait till the treaty, and, instead of borrowing the money, issue the 6 per cent. stock, in payment for Florida lands, in which case, if Florida lands proved worthless, nothing need be paid. It was argued that the money was justly due or would soon become due; that, in whatever manner it might have to be paid; and that, if a bill was passed to borrow the money, it could be made so that it was issued directly to the claimants, it must, by the terms of the treaty, be 6 per cent.

The bill passed by a large majority the same day. An attempt was made to amend it in the Senate so that it should be payable, principal and interest, out of the proceeds of the public lands in Florida; but the amendment, and the bill passed finally, and was approved May 24, 1824 (4 Statutes, 33), for the purpose of providing funds for paying the awards of the commissioners under the treaty with Spain, the Secretary of the Treasury should cause to be issued and sold to the Bank of the United States or to any person or persons willing to purchase the same, at par value thereof, certificates of United States stock to an amount not exceeding $5,000,000, bearing interest not exceeding 4½ per cent., the stock to be redeemable, at the pleasure of the United States, after January 1, 1832. The money received from the issue and sale of these certificates was appropriated to the payment of the awards. The act contained an appropriation of sufficient money to pay the awards for the year 1824. Under this act stock to the amount of $5,000,000 was issued and sold in 1824, and was entirely completed in 1833.

FIVE AND A HALF PER CENT. STOCK AND FOUR AND A HALF PER CENT. LOAN OF MAY 26, 1824.

The act of May 26, 1824, authorized the redemption of a portion of the 6 per cents at lower rates of interest. The Secretary of the Treasury, December 30, 1823, gave a very favorable view of the public finances, estimating the receipts and expenditures for 1824, and adding the balance in the treasury at the close of 1823 (amounting to

† Annals of 18th Cong., p. 2559, *et seq.*

$6,466,969 30), the available means for the service of the year 1824 were estimated at $25,016,969 30, while the total expenditures were estimated at $15,224,252 89, which would leave a balance in the treasury January 1, 1825, of $9,792,716 41. He said:*

Under existing laws there is no probability that any portion of the balance remaining in the treasury on the 1st of January, 1824, or of the surplus which may accrue during that year, can be applied to the discharge of the public debt until the 1st of January, 1825, yet it is not deemed conducive to the general prosperity of the nation that so large an amount should be drawn from the hands of individuals and suffered to lie inactive in the vaults of the banks. On the other hand, the high rate of interest of the great amount of debt which becomes redeemable on the 1st of January, 1825, renders it inexpedient for the government to apply to other objects any portion of the means which it may possess of making so advantageous a reimbursement. It is believed, however, that every inconvenience may be obviated, if authority be given for the purchase of the 7 per cent. stock, amounting to $8,610,000, during the year 1824, at such rates as may be consistent with the public interest. As it is now certain that the government will possess ample means to redeem that stock on the 1st of January, 1825, it is presumed that the holders will be willing to dispose of it during the interval, at a fair price; and as a gradual conversion of it into money, at such times and in such portions as would be most favorable to its reinvestment, would be most advantageous to the moneyed transactions of the community, it is presumed that it would be most acceptable to the holders.

It is, therefore, respectfully proposed that the commissioners of the sinking fund be authorized to purchase the 7 per cent. stock, during the ensuing year, at the following rates above the principal sum purchased:

1. For all stock purchased before the 1st of April next, at a rate not exceeding $1 25 on every $100, in addition to the interest due on such stock on that day.

2. For all stock purchased between the 1st of April and the 1st of July next, at a rate not exceeding 75 cents on every $100, in addition to the interest due on the last-mentioned day. * * *

Of the $10,331,000 of 6 per cent. stock, redeemable in 1825, about $5,000,000 will probably be redeemed in that year; and there will remain unredeemed, after the application of all the means at the disposal of the commissioners of the sinking fund, about $5,331,000. This sum, it is believed, may be readily exchanged for 5 per cent. stock, redeemable in 1833; and it is respectfully suggested that provision be made by law for such an exchange of so much of the 6 per cent. stock as shall not be redeemed during the year 1825.

A bill to authorize the Secretary of the Treasury to exchange certain stocks was first considered in the House of Representatives, in committee of the whole, March 19, 1824. It was opposed as an unnecessary extension of the loans of the government, throwing upon the people the burden of interest for years after the time when it might be possible to pay the debt. It was said that commerce was increasing and the revenues must increase with it, and thus the means would be given for paying off the loans as they fell due, and that it was a vain delusion to talk of saving money by borrowing money and plunging the nation deeper and deeper in debt, unless it was intended to make the debt perpetual, on the principle that "a public debt is a public blessing".

By the supporters of the bill it was said, that $63,000,000 of the public debt would become redeemable between the years 1825 and 1828, and that not the slightest prospect existed of the government being able to redeem that sum as it became due without a resort to new loans, and therefore, as the price of money was low in market, it was necessary to take advantage of the opportunity of obtaining at least a portion of the amount which would be required, at a low rate of interest; that even if the exchange was effected, there would still remain to be paid $37,000,000 in the four years—upwards of $9,000,000 a year—a sum greatly exceeding that portion of the sinking fund applicable to the payment of the public debt during those years; and that therefore it was sound financial policy to obtain at least a part of the money, or exchange stock bearing a low rate of interest for the stocks soon to become due, instead of asking at once for a large sum when the time for payment had come and the money must be had.

The bill passed the House by a large majority; passed the Senate apparently without debate; and was approved May 26, 1824 (4 Statutes, 73). It authorized the President to borrow, on the credit of the United States, on or before April 1, 1825, a sum not exceeding $5,000,000, at a rate of interest not exceeding 4½ per cent., and reimbursable, at the pleasure of the government, at any time after December 31, 1831, the money borrowed to be applied, together with the money in the treasury, to pay off and discharge such part of the 6 per cent. stock of the year 1812 as might be redeemable after January 1, 1825.

The Bank of the United States was to be allowed to lend the amount, or any part thereof, and the Secretary of the Treasury was authorized to raise the money by selling certificates of stock not under par. Nothing contained in the act was to be construed to impair the rights of such creditors of the United States as did not choose to subscribe to the loans.

Under this authority $5,000,000 was borrowed at par. The redemption of this stock began in 1831, and was entirely completed in 1834.

Section 3 of the same act proposed a subscription to the amount of $15,000,000 in the 6 per cent. stock of the year 1813, for which purpose books were to be opened at the treasury and the several loan offices respectively, the subscription to be effected by a transfer to the United States of the credits standing to the subscribers on the books, and by a surrender of the certificates of stock subscribed. For the whole or any part of the sum so subscribed and transferred, certificates of stock were to be exchanged, bearing an interest of 4½ per cent., and reimbursable at the pleasure of the United States, one-half at any time after December 31, 1832, and the remaining one-half at any time after December 31, 1833. The same funds, already pledged by law for the payment of the interest and the

* American State Papers, "Finance," vol. iv, p. 377.

reimbursement of the principal of the 6 per cent. stocks of 1812 and 1813, were to remain pledged for the payment of the principal and interest of the stocks to be created under this act, and it was made the duty of the commissioners of the sinking fund to cause to be applied, annually, such sums as might be necessary to discharge the interest.

Under this section the sum of $4,454,727 95 was subscribed in 6 per cent. stock, and exchanged for stock bearing an interest of 4½ per cent. Redemption of this exchanged stock began in 1833, and was nearly completed in 1834, but a small amount remained outstanding, not having been presented for payment when called, until 1843, when it was entirely redeemed.

EXCHANGED FOUR AND A HALF PER CENT. STOCK OF 1825.

The committee of ways and means of the House of Representatives, to whom was referred the report of the Secretary of the Treasury on the state of the finances, dated December 31, 1824, reported, January 12, 1825, as follows:*

In considering so much of the Secretary's report as relates to the public debt of the United States, it appears that on the 1st day of January, 1826, there will be redeemable, of the 6 per cent. stock of 1813, $19,000,000, and that the ordinary revenues of the year will not be adequate to the reimbursement of more than $7,000,000, leaving an excess of $12,000,000 to be provided for.

The whole amount of the public debt, including the loan of $5,000,000, at 4½ per cent., authorized by the act of the 26th of May last, is found to be $88,545,003 38. Of this sum $2,500,000 of the last-mentioned loan, not having been actually paid to the United States, could not be regularly included in the estimate of the Secretary of the Treasury at the close of the last year, but must, nevertheless, be considered as part of the debt, with a view to future years.

This sum of $88,545,003 38 is redeemable as follows:

In 1825	$7,654,570 93	of 6 per cents.
In 1826	19,002,356 62	of 6 per cents of 1813.
In 1827	13,001,437 63	of 6 per cents of 1814.
In 1828	9,490,099 10	of 6 per cents.
In 1831	18,901 59	of 5 per cents.
In 1832	5,000,000 00	of 4½ per cents.
In 1832	1,018,900 72	of 5 per cents.
In 1833	6,654,153 72	of 4½ per cents.
In 1833	18,901 59	of 5 per cents.
In 1834	1,654,153 73	of 4½ per cents.
In 1835	4,735,296 30	of 5 per cents.
At pleasure	7,000,000 00	of 5 per cents.
At pleasure	13,296,231 45	of 3 per cents.

By this statement it appears that in the years 1829 and 1830 no part of the public debt will be reimbursable, excepting $7,000,000 subscription to the Bank of the United States and the 3 per cents.; but, as these bear a less interest than that portion of the 6 per cents of 1813, redeemable on the 1st of January, 1826, and which cannot, for the want of means, be reimbursed before the years 1829 and 1830, it is believed to be advisable to provide for that portion by a new stock at a reduced rate of interest, and payable at those periods.

The committee, therefore, recommend a new loan or an exchange to the amount of $12,000,000, at a rate of interest not exceeding 4½ per cent., reimbursable, in equal portions, in the years 1829 and 1830, and for that purpose report a bill.

The debates on this bill have not been recorded. The bill was approved March 3, 1825 (4 Statutes, 129). It authorized the President to borrow, on the credit of the United States, a sum not exceeding $12,000,000, at not exceeding 4½ per cent. interest, $6,000,000 of the principal to be reimbursable, at the pleasure of the government, at any time after December 31, 1827, and $6,000,000 at any time after December 31, 1828, the money borrowed to be applied to redeeming such part of the 6 per cent. stock of 1813 as was reimbursable after January 1, 1826. The Bank of the United States was to be permitted to lend the sum, or any part thereof, and the Secretary of the Treasury was authorized to raise the money by selling certificates of stock, not under par.

Section 3 of the same act authorized a subscription to the amount of $12,000,000 of the 6 per cent. stock of 1813, all such subscriptions to be counted as a part of the $12,000,000 authorized, by the act, to be borrowed.

For the whole or any part of the sum subscribed in money or 6 per cents, certificates of stock were to be issued, at not exceeding 4½ per cent. interest, payable quarterly, and reimbursable as provided for in the first section.

The same funds, already pledged by law for the payment of the interest and the reimbursement of the principal of the stock which might be redeemed or exchanged, were to remain pledged for payment of the interest and the reimbursement of the principal of the stock created under this act. Nothing in the act was to be construed to alter or impair the rights of public creditors who might not choose to subscribe to the loan.

The low rate of interest offered made this loan a failure, so far as borrowing money was concerned, and the amount of stock exchanged under the act was comparatively small, amounting to $1,539,336 16.

The Secretary of the Treasury, in his report of December 22, 1825, says:

Proper measures were taken to execute this act, but they have prevailed only to a limited extent. The operation of exchange, which was first resorted to, took effect to the amount of $1,539,336 16, and this sum, divided into equal parts, forms the two sums that now stand in the general table of the debt as redeemable in the years 1829 and 1830, whilst they have also served to diminish by so much the 6 per cent. stock of 1813. Proposals for a loan for the residue of the sum wanted were next issued, but no offers were received. The causes of the failure, it may be presumed, were: the low rate of interest and short periods of redemption held out by the act, in conjunction with an activity in the commercial and manufacturing operations of the country affording higher inducements to the investment of capital.

The redemption of this stock began in the year 1831, and was entirely completed in 1834.

* American State Papers, "Finance," vol. v, p. 174.

TREASURY NOTES OF 1837.

In the year 1836 the United States was, for the first time in the history of the country, practically out of debt. The Secretary of the Treasury, in his report to Congress, dated December 8, 1835,* estimated the amount of the public debt still outstanding at about $328,582 10, and this remained unpaid solely because payment had not been demanded, ample funds to meet it having been deposited with the United States Bank and with the commissioners of loans. The outstanding debt consisted mainly of unclaimed interest and dividends, of claims for services and supplies during the Revolution, and of old treasury notes, and it is supposed that payment of these had not been asked for solely because the evidences of the debt had been lost or destroyed. At the same time the estimates of the receipts and expenditures showed the probability of a surplus of at least $14,000,000 in the treasury at the close of the year 1836, and this estimate was, as events showed, far below the truth. In this favorable state of the public finances, Congress adopted the extraordinary resolution of depositing the surplus over $5,000,000 with the several States, and under the act of June 23, 1836,† surplus revenue, amounting to $28,101,644 91 were so deposited.

In 1837, however, the state of the country had changed. The "flush" times of 1835 and 1836 had been succeeded by extraordinary depression and panic. In May most of the banks suspended specie payments. The sales of public lands and the duties on the large importations of foreign goods, which had helped to swell the balance in the treasury to over $42,000,000, had fallen off enormously. Even on the goods that were imported it was difficult to collect the duties, for the law required them to be paid in specie, and specie was hard to obtain. It had become impossible not only to pay the fourth installment of the surplus at the end of 1836 to the several States, but even to meet the current expenses of the government from the ordinary revenues.

The Secretary of the Treasury therefore suggested that contingent authority be given the President to cause the issue of treasury notes bearing an interest of 6 per cent. The bill to authorize the issue of not exceeding $12,000,000 was introduced in the House of Representatives September 13, and debated at length in both the House and Senate. It was supported on the ground that the issue of treasury notes was absolutely necessary, there being already a deficit of $2,000,000, likely, in the condition of the country at that time, to increase, and that so large an amount added to the circulating medium would tend to alleviate the distress prevailing; while it was opposed by those who thought greater economy in expenditures would relieve the treasury, and by others who denounced it as an attempt "to start a treasury bank". The bill passed the House by a small majority, while in the Senate there were but six votes against it. It was approved October 12, 1837 (5 Statutes, 201). It authorized the President to cause the issue of treasury notes in such sums as the exigencies of the government might require, not exceeding in the whole $10,000,000, of denominations not less than $50, redeemable one year after date, bearing interest from their respective dates for the term of one year at rates to be fixed by the Secretary of the Treasury, but not to exceed 6 per cent. They were to be issued, in payment of debts due by the United States, to such public creditors or other persons as chose to receive them in payment at their par value; were to be transferable by delivery and assignment indorsed on them by the person to whom they had been made payable, and were to be received in payment of all duties and taxes laid by the United States, of all public lands sold by the said authority, and of all debts due to the United States, credit to be given for the interest due on the notes at the time of payment. The Secretary of the Treasury was authorized to borrow, not below par, such sums as the President might deem expedient, on the credit of the notes. Under this act the full amount authorized, $10,000,000, was issued.

TREASURY NOTES OF 1838.

The condition of the country and of the public finances was no more favorable at the close of the year 1837 than at its beginning. There was in the treasury January 1, 1838, an apparent balance of over $34,000,000, but of this amount the largest portion was unavailable. It consisted of the amount deposited with the several States, $28,101,644 91; of money belonging to the government deposited with suspended or insolvent banks; of amounts due from merchants on bonds given for duties on imports, difficult or impossible to collect; and of various other items; aggregating, altogether, so large an amount that the Secretary of the Treasury estimated the available balance at the close of the year at but $1,118,393.‡

It is probable this estimate was too large, as the President informed Congress, in May, 1838, that the available means in the treasury were only $216,000. Demands to a large amount were suspended in the departments, waiting payment from means yet to be provided by Congress, and the resources on hand could carry the government but a few days longer.§ The dues to the government being largely paid in the treasury notes of 1837, which the department was forbidden to reissue, the revenue was practically almost nothing, and it became absolutely necessary to provide additional means. A bill to allow the issue of treasury notes was introduced in the House March 23, ssed both House and Senate after a long debate, in which the same objections were urged as those to the bill of ber 12, 1837, and was approved May 21, 1838 (5 Statutes, 228). It was, when introduced, entitled "A bill mentary to the act entitled an act to authorize the issue of treasury notes", and it was stated that r

* Congressional Globe, 1st sess. 24th Cong., p. 12.
† Statutes, p. 55, section 13.
‡ Cong. Globe, 2d sess. 25th Cong., p. 10.
§ Cong. Globe, 2d sess. 25th Cong., Appendix, p. 331.

additional issue was intended, but only that the old notes paid in should be replaced by new ones. The title, however, was changed before its passage to "An act authorizing the issuing of treasury notes to meet the current expenses of the government."

The act authorized the Secretary of the Treasury, with the approbation of the President, to cause treasury notes to be issued, according to the provisions of, and subject to, all the conditions, limitations, and restrictions contained in the act of October 12, 1837, in place of such notes as had been or might be issued under said act and afterward paid into the treasury and canceled. Under this act the sum of $5,709,810 01 was issued. The odd sums represent the interest accrued.

TREASURY NOTES OF 1839.

The power to issue and reissue treasury notes under the acts of October 12, 1837, and May 21, 1838, expired on December 31, 1838. The act of March 2, 1839 (5 Statutes, 323), extended this time to the 30th day of June next ensuing, and was passed at the instance of the Secretary of the Treasury, who informed the House that it would be impossible to meet the demands upon the treasury without it. Under this act the sum of $3,857,276 21 was issued.

TREASURY NOTES OF 1840.

The President of the United States informed Congress, by a special message dated February 17, 1840, that, although the resources of the treasury for the whole year would probably be equal to the expenditures, yet the department might, notwithstanding, be unable to meet the claims upon it when they fell due, because the larger part of the charges upon the treasury, including the payment of pensions and the redemption of treasury notes, fell due in the early part of the year, while the resources on which it might otherwise rely would mostly be unavailable until the last half of the year, and a portion, being debts due from banks, might not be punctually paid.

To remedy this inconvenience, the act of March 31, 1840 (5 Statutes, 370), was passed, although strenuously opposed as unconstitutional and unnecessary, the House of Representatives being in session at one time for twenty-five hours on the bill.*

It renewed the provisions of the act of October 12, 1837, except as to the amount of notes and the time in which they might be issued, and authorized the issue of treasury notes in lieu of those which had been or might be redeemed, but not to exceed, in the amount of notes outstanding at any one time, the sum of $5,000,000, to be redeemed sooner than one year if the means of the treasury would permit, by giving sixty days' notice of those notes which the department was ready to redeem, no interest to be allowed thereon after the expiration of the sixty days; the act to continue in force one year and no longer. Under this act the sum of $7,114,251 31 was issued.

TREASURY NOTES OF 1841.

The Secretary of the Treasury, in his report on the finances dated December 7, 1840, estimated that, at the close of the year 1841, there would remain in the treasury an available balance of but $824,273, and that even this small balance might entirely disappear, and an actual deficit of several millions be found, under the operations of the compromise tariff act of 1833, which was rapidly lowering the amount of customs-duties levied, aided by fluctuations in the amount of goods imported, which had fallen off during the year 1840 nearly sixty millions of dollars.

To ward off the danger of this possible deficit the act of February 15, 1841 (5 Statutes, 411), was passed. It authorized the President to cause treasury notes to be issued for such sums as the exigencies of the government might require, but not exceeding the sum of $5,000,000 of this emission, outstanding at any one time, to be reimbursed in the last quarters of the year, if the condition of the treasury would permit, the notes to be issued under the limitations and provisions of the act of October 12, 1837, as modified by the act of March 31, 1840; and if, on the 4th day of March next ensuing, the treasury notes outstanding, issued under former laws, added to the amount of notes issued under this act, should exceed the sum of $5,000,000, then the President was authorized to issue such further sums as would make the whole amount of notes issued under this act and applicable to payments after March 3, 1841, the full sum of $5,000,000. Under this act notes to the amount of $7,529,062 75 were issued.

LOAN OF 1841.

The President of the United States, in his message to Congress at its extra session in June, 1841, estimated the probable deficit in the treasury at the close of the year at $11,406,132 98,† while the Secretary of the Treasury estimated the deficiency on the 1st of September at $5,251,388 30, and informed Congress that during the previo four years the expenditure had exceeded the revenue by $31,310,014 20.‡ The issue of treasury notes, begun m

* Cong. Globe, 1st sess. 26th Cong., p. 285, *et seq.* † Cong. Globe, 1st sess. 27th Cong., p. 6. ‡ Ibid., 7

President Van Buren's administration and continued for four years, had been but a mere temporary expedient to postpone, for a few months, the payment of a constantly accumulating debt. The only remedy for these continually recurring deficits was by a loan redeemable at a time sufficiently distant to allow the public finances, aided by returning prosperity among the people, a chance for recovery.

A bill to borrow $12,000,000, redeemable after eight years, was introduced in the House June 14, and debated during many successive days. It was opposed by those who declared themselves averse to creating a national debt, by those who professed to see in it a scheme for starting a national bank, and by those who preferred the issue of treasury notes to obtaining a loan. It was advocated by members who said that it was not creating a debt, but funding one which already existed, entailed on the country by an administration which had just gone out of power, and that it was the more manly course to openly ask a loan, payable at some distant day, rather than to continue the issue of notes which must return to the treasury in a few weeks or months to cause another deficit.

The act was approved July 21, 1841 (5 Statutes, 438). It authorized the President to borrow, on the credit of the United States, at any time within one year, a sum not exceeding $12,000,000, at a rate of interest not exceeding 6 per cent., payable quarterly or semi-annually, the loan to be reimbursable either at the will of the Secretary of the Treasury after six months' notice, or at any time after three years from January 1, 1842. The money borrowed was to be applied to the redemption of outstanding treasury notes and to defray the public expenses. The Secretary was authorized to purchase, at any time before the time named for the redemption of the stock, such portions thereof as the funds of the government might admit of, and any surplus in the treasury was appropriated therefor. The faith of the United States was pledged for the punctual payment of the principal and interest. Under this act stock to the amount of $5,672,976 88 was issued.

TREASURY NOTES OF JANUARY, 1842.

The loan proposed by the act of July 21, 1841 (5 Statutes, 438), owing to the short period which was to elapse before it became redeemable, does not appear to have met with much favor from those who had money to lend.

Up to December 20, 1841, the amount received, of the $12,000,000 asked for, was only $5,532,726 88, while the estimated deficiency on January 1, 1842, was $627,557 90, and the estimated excess of expenditures over revenue for the year 1842 was $14,218,570 68. In this emergency the Secretary recommended an extension of the time within which the residue of the loan, not yet taken, should be redeemable, the reissue of the treasury notes heretofore authorized by law, and an increase of the duties on certain classes of imports.* A bill to allow the issue and reissue of treasury notes was introduced in the House January 5, 1842, and met with much opposition, on the old grounds of the unconstitutionality of bills of credit, of the inexpediency of adding to the paper money of the country, and on the plea that economy would enable the government to meet its expenses without causing a deficit in the treasury. Its supporters denied that the measure was unconstitutional, and admitted that the best way to provide for the deficiency would be by obtaining a loan, but asserted that if a loan bill was passed, the money could not be obtained in this country and that it would be necessary to send the bonds to Europe for sale, which would consume much time, while the needs of the treasury were urgent. It finally passed both houses, and was approved January 31, 1842 (5 Statutes, 469).

The act authorized the President to cause the issue of treasury notes for such sums as the exigencies of the government might require, the notes when redeemed to be reissued, but not exceeding the sum of $5,000,000 of this emission to be outstanding at any one time, the notes to be issued under the provisions and limitations contained in the act of October 12, 1837, except that the authority given to issue treasury notes was to expire at the end of one year from the passage of the act. Under this act the sum of $7,959,994 83 was issued.

LOAN OF 1842.

This loan was obtained under the act of July 21, 1841, the provisions of which were extended by the act of April 15, 1842 (5 Statutes, 473). The bill was passed, like that for the issue of the treasury notes of January, 1842, to prevent the threatened deficiency in the treasury mentioned in the notes on that act. It was manifest that the power to keep outstanding $5,000,000 in treasury notes could not make up a deficiency of over $14,000,000, hence the necessity for this bill. It was introduced in the House December 23, 1841, and passed after long debate, in which the responsibility for the condition of the finances was charged by each party on the other. The act extended the time limited by the first section of the act of July 21, 1841, to the time of one year from the passage of this act, and provided that so much of the loan as was obtained after its passage should be reimbursable as should be agreed upon at the time of issuing the stock, not to exceed twenty years from the 1st day of January, 1843. The Secretary of the Treasury was authorized to dispose of the stock below par, if its par value could not be obtained, but not until after the loan had been duly advertised and proposals for subscription invited. The President was also authorized to borrow an additional sum of $5,000,000, if the exigencies of the government should require the same, under the same provisions and limitations. Under this act stock was issued amounting to $8,343,886 03 for which $8,301,468 23 was received in cash.

* Report on the Finances, December 20, 1841.

TREASURY NOTES OF AUGUST, 1842.

The act of July 21, 1841, authorizing a loan of not exceeding $12,000,000, provided, that no stock be sold below par, and such was the unsettled state of the money market, at that period, that the secretary found it possible to realize but a small portion of the amount needed to meet the existing emergency, while this restriction remained in force. It was attempted to amend this, by the act of April 15, 1842, allowing the Secretary of the Treasury, if the stock could not be sold at par, to dispose of it at lower prices, and also extending the time for redemption to not more than twenty years from January 1, 1843, but it was still found impossible to obtain par for the stock. To prevent its sacrifice a bill was introduced in the House to allow the issue of treasury notes when the remainder of the stock could not be sold below par. It was stated in debate, by the chairman of the committee of ways and means, who introduced the bill, that the immediate liabilities of the government were $3,875,000, and to meet these demands not one dollar was available, and that the stock must either "be sacrificed to the Shylocks of the country", or some other means must be given the Secretary of the Treasury to meet these liabilities.* The bill does not appear to have met with much opposition. It was approved August 31, 1842 (5 Statutes, 581.)

It provided that no stock authorized by the act of July 21, 1841, and by the act amendatory of the same, approved April 15, 1842, should thereafter be sold at less than par; and in case the stock could not be sold at or above par, and the exigencies of the public service should require, the Secretary of the Treasury was authorized to issue, in lieu thereof, treasury notes to the amount of not more than $6,000,000, under the provisions and limitations contained in the acts of October 12, 1837, and March 31, 1840. The notes when redeemed might be reissued, or new notes issued in their stead, but none were to be issued after April 15, 1843, and the amount outstanding at any one time was not to exceed $6,000,000. Under this act notes to the amount of $3,025,554 89 were issued.

TREASURY NOTES OF 1843.

These notes were simply issues of new notes in place of such as had been issued under previous acts of Congress, and which had been or might be redeemed at the treasury, or received in payment of dues. The necessity for their issue was in the fact that the estimated revenues for the year were but little in excess of the current expenses. The national debt in March, 1843, was said to be $27,409,338, of which $11,068,977 fell due during the year and might be presented for payment.† Under these circumstances it became necessary either to obtain a new loan, to increase the taxes, always an unpopular expedient, or to issue new treasury notes, as had been done at each session for the past six years. The course was adopted of giving authority both to obtain a new loan and to issue treasury notes; though this latter was characterized in debate as a mere temporary expedient to enable the government to get along from day to day and to maintain its credit without repudiation.‡ The act was approved March 3, 1843 (5 Statutes, 614). It provided that when any outstanding treasury notes issued under previous acts of Congress should, after the passage of this act, be redeemed at any time before July 1, 1844, the Secretary of the Treasury, should the public service require it, might cause other notes, to the same amount, to be issued in their stead, under the limitations and provisions of the acts under which the notes were originally issued. It authorized the payment of interest on notes issued under this act after maturity, and also on those issued under the act of August 31, 1842. Under this act notes to the amount of $1,806,950 were issued.

LOAN OF 1843.

This loan was obtained under the act authorizing the issue of treasury notes, approved March 3, 1843 (5 Statutes, 614), and for the same purpose. The third section of the act authorized the President, if, in his opinion, it should be for the interest of the United States so to do, to cause to be redeemed and canceled such of the notes then outstanding as they became due, by the issue of stock of the United States, under the limitations and provisions of the act of April 15, 1842, except that no commissions were to be allowed to agents, and the stock should be redeemable at a period not later than ten years from the issue thereof. Under this act stock to the amount of $7,004,231 35 was issued, most of which was sold at a small premium.

TREASURY NOTES OF 1846.

War with Mexico was declared May 13, 1846. On the 15th of June the Secretary of the Treasury informed Congress that if the war should continue until July 1, 1847, there would be a deficiency in the treasury of $12,587,000. To prevent this threatened deficiency, by the issue of treasury notes, a bill was introduced in the House of Representatives July 6, 1846, passed both houses without much debate, and was approved July 22, 1846 (9 Statutes, 39). It authorized the President to cause treasury notes to be issued for such sums as the exigencies of the government might require, and, in place of such notes as might be redeemed, to cause others to be issued; but the amount of this emission outstanding at any one time was not to exceed $10,000,000. The notes were to be issued under the limitations and provisions of the act of October 12, 1837, except that the authority given was expire at the end of one year from the passage of the act. Under this act the sum of $7,687,800 was issued.

* Cong. Globe, 2d sess. 27th Cong., p. 964. † Cong. Globe, 3d sess. 27th Cong., Appendix, p. 186. ‡ Cong. Globe, 3d sess. 27th Cong

LOAN OF 1846.

The second section of the act of July 22, 1846 (9 Statutes, 40), authorized the President, if, in his opinion, it should be for the interest of the United States so to do, instead of issuing the whole amount of treasury notes authorized by the first section, to borrow, on the credit of the United States, such a sum as he might deem proper, but not exceeding, together with the treasury notes issued, the sum of $10,000,000. The stock was to be issued under the limitations and provisions of the act of April 15, 1842, and to be redeemable at a period not exceeding ten years from the date of issue. No commissions were to be paid to agents. Under this act the sum of $4,999,149 45 was issued.

MEXICAN INDEMNITY STOCK.

The peculiar circumstances which gave rise to the issue of this stock are worthy of note, as resulting from an ineffectual attempt to collect the money due American citizens on account of claims against the government of Mexico. By the terms of the convention of January 30, 1843, between the United States and the Mexican republic, it was provided that on the 30th day of April, 1843, the Mexican government should pay all the interest which might then be due on the awards in favor of claimants under the convention of the 11th of April, 1839. The principal of the said awards, and the interest accruing thereon, to be paid in five years, in equal installments every three months, to commence April 30, 1843. These payments were to be made in the city of Mexico, to such person as the United States might authorize to receive them, in gold or silver money.* In accordance with these stipulations, an agent was duly appointed for the collection of the several installments as they respectively came due, and the Secretary of State was informed, by an official communication from the United States minister at the city of Mexico, dated September 24, 1844, that the installments which fell due on the preceding 30th of April and 30th of July were paid, to the authorized agent appointed to receive and transmit the same, on the 27th of August of that year, and it was so reported to Congress. Upon examination into the facts, however, it was found that no money had been received, and an investigation was ordered, resulting in the development of a singular transaction on the part of the agent designated to receive the money from the Mexican authorities. It appears from the correspondence relative to this affair that, for the avowed purpose of liquidating these claims, Santa Añna, the head of the Mexican government, in May, 1843, decreed the collection of a forced loan, to be distributed in certain proportions through the various departments of the Mexican republic, and paid at periods corresponding to those stipulated by the convention. This measure, essentially unpopular, was imperfectly enforced, while the temptation to a misapplication of the funds collected, amidst the difficulties by which Santa Añna was surrounded, was very great. Under these circumstances the Mexican government was unable to pay the installment which became due in April, 1844; and in July of the same year, when another installment became due, the incapacity of the government had become still clearer. The arrears then due and payable amounted to $274,664 67. The applications of the agent of the United States at the Mexican treasury for payment of these installments were evaded or disregarded, and he was informed that there was no money in the treasury applicable thereto. Despairing of obtaining any direct payment, he made an arrangement with an English firm there, of high standing, then believed to be successfully prosecuting a claim of considerable amount, by which they assumed the collection of the said installments, in addition to their own claim, and agreed to pay him the proportionate share of such collections, gradually, as received by them from the Mexican government. In pursuance of this arrangement, orders, to the amount of $274,664 67, on the various departments, were given in favor of the agent of the United States, by the Mexican government, and a receipt for the amount given by him as if it had been paid in money. These orders were handed over by him to the English firm, with whom he had made the arrangement for the collection of the installments.† Nothing was realized from these orders, but the matter of the indemnity was afterward disposed of by article 13 of the treaty of Guadalupe Hidalgo, February 2, 1848, which reads as follows:‡

> The United States engage, moreover, to assume and pay to the claimants all the amounts now due them, and those hereafter to become due by reason of the claims already liquidated and decided against the Mexican republic, under the conventions between the two republics severally concluded on the 11th day of April, 1839, and on the 30th day of January, 1843; so that the Mexican republic shall be absolutely exempt, for the future, from all expense whatever on account of the said claims.

In 1846, the United States being at war with Mexico, a clause was inserted in the first section of the civil and diplomatic appropriation act of August 10 (9 Statutes, 94), providing: "For paying the principal and interest of the fourth and fifth installments of the Mexican indemnities due in April and July, in the year 1844, the sum of $320,000; *Provided*, The claimants, each for himself, shall relinquish to the United States his right to said installments; *Provided further*, That each of the claimants shall agree to take in payment the scrip of a stock bearing interest at five per cent., payable in five years." Under the authority thus granted, five per cent. stock, amounting to $303,573 92, was issued.

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*8 Statutes, p. 578. †Ex. Doc. H. R., 1st sess. 31

...of 1846", ...

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...n goods importe... ...
...pproved January 28, 1847
...ch sums as the ex... ...
...sum of $23,000,000, ...
...terest, from date of issue
...sable at one and two ... ...
...credit of the notes, ... to
...ccumulated interest. They
...ole receivable for all duties,
...these notes at any time, but
...ed by the act were redeemed,
...at any time, together with the
...of the notes could be funded
...ct December 31, 1867, and this
...ous acts. The authority given by
...section, to the period fixed by this
...not to exceed $5,000,000. Under this

...ssue of $23,000,000 in treasury notes, also
...the interest of the United States so to
...the credit of the United States, such
...interest at not exceeding 6 per cent.,
...er with the treasury notes issued under
...stock to the amount of $28,230,350 was
...issue is accounted for by the authority given

...each non-commissioned officer, musician, or
...twelve months, and who had actually served
...for 160 acres of land, or a treasury scrip for
...incurred in the course of his service, the
...for less than twelve months, and who had
...honorably discharged, was to receive a warrant for
...if he died in the service. The warrants might

...the Mexican war, the measure met with much
...lands which had been given to soldiers of former
...that cases were very rare indeed where a soldier
...benefit, most of the lands having passed into the
...as soon as the bill was signed, hundreds of men
...grocery, would become a broker's office, where the
...would be obtained from the soldiers for very trifling
...the land which might be located under them, not

transferable for the period of seven years, but to this it was objected that, in the case of those who might wish to sell and not to occupy their lands, it was putting the reward of their labors off to a time so distant as to make it of but little advantage to them.* It was finally decided to give to each the option of receiving a land-warrant, not transferable until after issue, or a treasury scrip for $100, or for $25, according to term for which enlisted. The scrip was to bear 6 per cent. interest and to be redeemable at the pleasure of the government. It was supposed that those whose want of money was immediate would prefer the scrip, which was equivalent to an interest-bearing treasury note; but it was found that most of the soldiers preferred the land-warrants, only the sum of $233,075 in the bounty-land scrip having been issued. That this result might have been foreseen is evident, when it is considered that a land-warrant for one hundred and sixty acres was equivalent, at the then price of government land, to $200.

LOAN OF 1848.

The President of the United States, in his message of December 7, 1847, informed Congress that if the war with Mexico continued until July 1, 1848, the expenditure would probably exceed the revenue provided by law about $16,000,000,† while the Secretary of the Treasury, in his report of December 8, estimated that, adding the sum necessary to be kept in the treasury to meet the wants of the government and maintain the enlarged operations at the mints, there would be required $18,729,114 27, in addition to the probable revenue. A bill to authorize a loan not to exceed $18,500,000 was introduced in the House of Representatives January 19, 1848. The chairman of the committee of ways and means informed the House, during the debate, that an error had been discovered in the financial statement of the Secretary of the Treasury, which disclosed the gratifying fact that there was in the treasury nearly $7,000,000 more than had been stated to the House, in consequence of which it was supposed the loan might be reduced to $12,000,000, but that the Secretary of War had since asked an appropriation of nearly $4,000,000 to supply certain deficiencies in that branch of the public service, and it would therefore be necessary to make the amount $16,000,000, and he moved an amendment making the alteration, avowing at the same time his utter want of confidence in the estimates of the Secretary of the Treasury, and stating that he believed at least $25,000,000 would be required.‡

The bill passed both houses after an extended debate and was approved March 31, 1848 (9 Statutes, 217). It authorized the President to borrow, on the credit of the United States, at any time within one year from the passage of the act, a sum not exceeding $16,000,000, at an interest of not more than 6 per cent. per annum, payable quarterly or semi-annually, reimbursable at any time after July 1, 1868. No certificate of stock was to be issued for a less amount than $50. The expenses attending the execution of the act were not to exceed $16,000. The Secretary of the Treasury was authorized to purchase the stock of the loan, at any time before the date at which it became reimbursable, at the market price, not below par. Under this act stock to the amount of $16,000,000 was issued and sold at a small premium.

TEXAS INDEMNITY STOCK.

The state of Texas, when first annexed to the United States, had doubtful claims to an extensive territory. It was said, in debate on the subject, that her southeast corner was at the mouth of the Rio Grande, the region of perpetual flowers, her northeast corner near the South pass in the Rocky mountains, a region of everlasting snows; that she had a front on the Gulf of Mexico of a thousand miles, a front on the Rio Grande, partly disputed, of 2,000 miles, an undisputed frontier on the Arkansas of 1,000 miles, and within these boundaries she claimed an area of 350,000 square miles, or more than equal to seven states as large as Pennsylvania.§

To somewhat reduce this enormous territory, to pay her somewhat shadowy claims to all the public lands within these boundaries, and to obtain from her a release of her claims on the United States for liability for her debts, and to indemnify her for the surrender of her ships, forts, arsenals, custom-houses, munitions of war, and public buildings, a bill was introduced in the Senate August 5, 1850.

The bill, notwithstanding strenuous opposition, was passed and approved September 9, 1850 (9 Statutes, 447). It provided that if the state of Texas should consent that her boundary on the north should commence at a point at which the meridian of one hundred degrees west from Greenwich is intersected by the parallel of 36° 30′ north latitude and run thence due west to the meridian of one hundred and three degrees west from Greenwich, then south to the thirty-second degree of north latitude, then on said parallel to the Rio Bravo del Norte, and thence, with the channel of said river, to the Gulf of Mexico, and should cede to the United States all her claim to the territory exterior to these boundaries, and relinquish all claim on the United States for liability for her debts, and for compensation for the surrender of her ships, forts, custom-houses, public buildings, &c., then the United States, in consideration for the same, should pay her the sum of $10,000,000 in stock, bearing 5 per cent. interest, payable semi-annually, redeemable at the end of fourteen years. No more than $5,000,000 of said stock was to be issued until the creditors of the state holding bonds and other certificates of the stock of Texas, for which duties on imports were specifically pledged, should first file at the treasury releases of all claim against the United States on count of said bonds or certificates.

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*Cong. Globe, 2d Sess. 29th Cong., p. 203, *et seq.*
†Cong. Globe, 1st Sess. 30th Cong., p. 9.
‡Cong. Globe, 1st sess. 30th Cong., p. 312, *et seq.*
§Cong. Globe, 1st sess. 31st Cong., p. 165.

Under this act but $5,000,000 in stock was issued, as a subsequent act, approved February 28, 1855 (10 Statutes, 617), provided that the creditors of Texas should be paid in cash, and increased the amount to be paid them to $7,750,000, to be divided pro rata among such creditors of the State as were comprehended in the act of September 9, 1850.

TREASURY NOTES OF 1857.

The Secretary of the Treasury, in his annual report of December 8, 1857, informed Congress that although there was a balance on hand at the close of the last fiscal year amounting to $17,710,114 27, yet so great was the falling off in the revenues from customs, owing to the monetary crisis of that period, that it would be absolutely necessary to provide the treasury with some additional means of meeting the demands upon it. On this point he says:

> Such provision should be made at the earliest practicable period, as a failure of sufficient means in the treasury may occur at an early day. The exigency being regarded as temporary, the mode of providing for it should be of a temporary character. It is therefore recommended that authority be given to this department, by law, to issue treasury notes for an amount not to exceed $20,000,000, payable within a limited time, and carrying a specified rate of interest, whenever the immediate demands of the public service may call for a greater amount of money than shall happen to be in the treasury, subject to the treasurer's drafts in payment of warrants. The fact that such temporary exigency may arise from circumstances beyond the foresight or control of this department makes some adequate provision to meet it indispensable to the public security.

A bill for this purpose was introduced in the Senate, on the 17th of December, by the committee on finance, and on the following day in the House of Representatives by the committee of ways and means, and was at once the cause of an exciting debate.

Serious charges of mismanagement and extravagance in the administration of the several departments were made on the one side, while on the other the cause of the recent monetary crisis was charged to the action taken by the banks in their suspension of specie payments.

Notwithstanding the strong opposition manifested in both houses, the necessity for the passage of some measure for the immediate relief of the treasury was conceded, and the bill finally passed the Senate on the 19th of December, by a vote of 31 yeas to 18 nays. On the 22d it passed the House of Representatives by a vote of 118 yeas to 86 nays, and, being approved by the President on the following day, became a law December 23, 1857 (11 Statutes, 257). This act authorized the issue of treasury notes for such sum as the exigencies of the public service might require, not to exceed at any time the amount of $20,000,000, and of denominations not less than $100 for any such note, payable and redeemable at the treasury of the United States after the expiration of one year from the dates of said notes, with interest thereon, not to exceed six per cent.; the first issue not to exceed $6,000,000. The residue to be issued in whole or in part, after public advertisement of not less than thirty days, by exchanging said notes, at their par value for specie, to the bidder or bidders agreeing to make such exchange at the lowest rate of interest, not exceeding six per cent.; interest to cease at the expiration of sixty days' notice by the Secretary of the Treasury of readiness to pay and redeem said notes at their maturity. The faith of the United States was solemnly pledged for their redemption, and they were made receivable for all dues to the United States. Under this act the amount of $52,778,900 was issued, including reissues.

LOAN OF 1858.

The prediction made in the debate on the bill to issue the treasury notes of 1857, that the amount asked for was not enough, and that at least $20,000,000 more would be required, was speedily realized. In May, 1858, the Secretary of the Treasury informed Congress that, owing to the appropriations having been increased by legislation nearly $10,000,000 over the estimates, while the revenue from customs had fallen about $10,000,000 below the estimates, it would be necessary to provide some means of meeting the deficit.* A bill to authorize a loan not exceeding $15,000,000 was reported in the House of Representatives May 26, 1858, and this amount was subsequently increased to $20,000,000.

The chairman of the committee of ways and means, who reported the bill, said that the public debt was then $25,157,058 27, all of which would fall due within ten years, and the date of redemption of the proposed loan had therefore been made fifteen years, or five years beyond the period within which the then existing debt would fall due. He estimated that, even if authority was given to borrow $15,000,000, there would still be a deficit at the close of the fiscal year of nearly $1,000,000. On account of this probable deficit, and of an increase in the amount of appropriations, the Senate raised the amount of the proposed loan to $20,000,000. The bill was approved June 14, 1858 (11 Statutes, 365). It authorized the President to borrow, on the credit of the United States, at any time within twelve months after the date of the act, a sum not exceeding $20,000,000, reimbursable at any time after January 1, 1874. The interest was not to exceed 5 per cent. per annum, payable semi-annually, with coupons for the semi-annual interest attached to each certificate of stock. No certificate was to be issued for less than $1,000, and none was to be sold at less than its par value. Under this act the sum of $20,000,000 was obtained, the certificates selling at from 2 to 7 per cent. premium.

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* Cong. Globe, 1st sess. 35th Cong., p. 2019.

LOAN OF 1860.

The annual report of the Secretary of the Treasury dated December 22, 1859, contained the following clause:

In the estimated means of the treasury for the present and next fiscal years, it will be seen that no provision is made for the permanent redemption of any portion of the $20,000,000 of treasury notes. The authority for reissuing these notes will expire on the 30th of June next, and it will, therefore, be necessary for Congress to extend the law for that purpose for another period.

Congress appears to have differed with the Secretary as to the propriety of reissuing the notes, as, instead of giving authority so to do, a bill providing for their redemption by means of a loan was introduced in the House of Representatives June 21, passed both houses almost without debate, and was approved June 22, 1860 (12 Statutes, 79). It authorized the President to borrow, at any time within twelve months after the passage of the act, a sum not exceeding $21,000,000, on the credit of the United States, the money to be used only in the redemption of treasury notes, and to replace in the treasury any amount of said notes which should have been paid in for public dues.

The stock was to bear interest not exceeding 6 per cent. per annum, and was to be reimbursed within a period not beyond twenty years nor less than ten years. No certificate was to be issued for less than $1,000. The Secretary of the Treasury was authorized to cause coupons of semi-annual interest to be attached to the certificates, and any certificate bearing such coupons attached was to be assignable by delivery. No stock was to be disposed of at less than its par value.

Under this act the sum of $7,022,000 was borrowed, at 5 per cent. interest, the certificates selling at from par to 1.45 per cent. premium.

It would appear that the failure to realize the whole amount of the loan was caused by the political troubles that culminated in the war of the Rebellion. Bids were invited for $10,000,000 on September 8, 1860, and the whole amount offered was speedily taken. It soon became evident, however, that war was inevitable, and a commercial crisis ensued, during which a portion of the bidders forfeited their deposits, and the loan was withdrawn from the market after the amount stated above had been realized.

TREASURY NOTES OF 1860.

Authority for the issue of these notes became necessary when it was found that but a portion of the $21,000,000 loan authorized by the act of June 22, 1860, could be obtained, and was recommended by the Secretary of the Treasury in his annual report of December 4, 1860, as follows:

To meet the remaining outstanding treasury notes and interest thereon, there is yet to be negotiated eleven millions of the stock authorized by the act of June 22, 1860. The statement just made of the difficulties attending the payment for the stock already sold, in connection with the fact that capitalists, in the present condition of the country, seem unwilling to invest in United States stock at par, renders it almost certain that this remaining eleven millions cannot now be negotiated upon terms acceptable to the government. The condition of the treasury is such that no serious delay can be indulged. I recommend, therefore, a repeal of so much of the act of June 22, 1860, as authorizes the issuing of this additional eleven millions of stock, and that authority be given for the issuing of treasury notes to the same amount, to be negotiated at such rates as will command the confidence of the country. To create that confidence, I recommend that the public lands be unconditionally pledged for the ultimate redemption of all the treasury notes which it may become necessary to issue. I make this recommendation of substituting treasury notes for stock the more readily from the conviction that there should always exist in the department power to issue treasury notes for a limited amount, under the direction of the President, to meet unforeseen contingencies. It is a power which can never be abused, as the amount realized from such source can only be used to meet lawful demands upon the treasury.

A bill to allow the issue of treasury notes to an amount not exceeding $10,000,000 was introduced in the House of Representatives December 10. There appears to have been but little opposition to the bill as a whole, but an effort was made to change some of its features. An attempt was made to pledge the receipts from the public lands specifically for the redemption of the notes. In the Senate an unsuccessful effort was made to authorize the issue of notes as low as $20, it being urged that notes of the smaller denominations would be more readily taken at par, as they could be paid to laborers and others having small demands against the government. The Senate rejected this amendment, but altered the bill so as to allow of the issue of notes of as low a denomination as $50. The same attempt was made as in the House to pledge the proceeds of the public lands for the specific redemption of the notes, and objected to on the ground that it would interfere with the homestead bill then under discussion in Congress.

The bill passed, and was approved December 17, 1860 (12 Statutes, 121). It authorized the President to cause the issue of treasury notes for such sums as the exigencies of the public service might require, not exceeding at any time the amount of $10,000,000, of denominations not less than $50 for each note, redeemable at the treasury after the expiration of one year from the date of i[illegible] at until redeemed or called at the rate of 6 per cent. per annum; but the Secretary was aut[illegible] tisement, at such rates of interest as might be offered by the lowest responsibl[illegible] otes were issued, redeemable at the expiration of one year from date, h[illegible] : $5,000, at 7 per cent.; $24,500, at 8 per cent.; $33,000, at 8½ pe[illegible] t.; $10,000, at 9½ per cent.;

...per cent.; $266,000, at 10¼ per cent.; $623,000, ...per cent.; $4,840,000, at 12 per cent.—making a

...per cent., which were declined.

...SECRETARY, 1861.

...at this time that Secretary John A. Dix, in a letter to the ...House of Representatives, dated January 18, 1861, suggested ...that the several states be asked, as security for the repayment ...to borrow, to pledge the deposits received by them from the ...surplus revenues in 1836, believing that a loan contracted on ...faith of the United States that of the individual states, could

...ary, a bill to authorize a loan of $25,000,000, with a statement that ...there would be an actual deficit in the revenue of $21,677,524. In ...stated that the deficiency bill appropriated between two and three ...ency of $24,000,000, while the amount in the treasury on the 1st of ...,000 were required to carry on the daily operations; there should, ...enues, at least $25,000,000.* It was said, in debate on the bill, that the ...the retiring administration. The falling off in the revenue was caused ...the war of the Rebellion, and which had already diminished the imports to

...ground that the Secretary still possessed the power, under the act of June, 1860, ...amount, at least, should be deducted from the proposed loan. To this it was ...loan of June 22, 1860, could not be sold upon the terms prescribed in the law, and ...specifically pledged to the redemption of the treasury notes of 1860.

...ary 8, 1861 (12 Statutes, 129). It authorized the President to borrow, at any time ...1861, a sum not exceeding $25,000,000, to be used in the payment of current demands ...ption of outstanding treasury notes, and to replace in the treasury such notes as had ...s. The stock was to bear interest not exceeding 6 per cent. per annum, and to be ...than ten nor more than twenty years. The Secretary of the Treasury was authorized ...annual interest to be attached to the bonds, whenever required. No certificate of stock ...than $1,000. Under this act bonds were issued amounting to $18,415,000, at an aggregate ...10, or an average rate of $89 03 per one hundred dollars.

TREASURY NOTES OF 1861.

...of the Treasury in his report on the finances, dated December 22, 1859, had estimated that ...balance in the treasury, June 30, 1861, of only $3,530,196 61, which left no margin for additional ...If, therefore, the appropriations should exceed the estimates, or Congress should determine within ...provide for the payment of any portion of the public debt, which then amounted to nearly $60,000,000, ...necessary to make adequate provision for such contingencies. The Secretary expressed himself as of ...on that the idea of increasing the public debt to meet the ordinary expenses of government should not be ...entered for a moment. If additional demands on the treasury were created by legislation, provision must be ...made to meet them by such an increase of tariff duties as might be necessary.

A bill for the repayment of outstanding treasury notes, to authorize a loan, and to regulate and fix the duties on imports was introduced in the House March 12, 1860. It was said, in debate on the bill, that the idea of not increasing the public debt to meet current expenses was a very patriotic one, and that it would hardly be suspected that the administration had practically illustrated the sentiment, by steadily increasing the debt to meet those expenses during every year that it had been in power, with the following result:

Balance in treasury, July 1, 1857	$17,710,114 27
Public debt, July 1, 1857	29,060,386 90
Public debt, July 1, 1858	44,910,777 66
Public debt, July 1, 1859	58,754,699 33

Adding the balance in the treasury on the 1st of July, 1857, to the debt at the close of the year 1859, and deducting the debt of 1857, it appeared that the sum total of an idea "not to be entertained for a moment" was an increase in the public debt of $47,404,426 70. It was furthermore charged that this had taken place under a tariff that practically discriminated against our own people, compelling us, for every fourteen or fifteen millions of revenue collected at home, to foot a bill of a hundred millions abroad.†

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*Cong. Globe, 2d sess. 36th Cong., p. 713.

†Cong. Globe, 1st sess. 36th Cong., p. 1831.

The debate on the bill took a very wide range, including the subjects of the tariff, and of protection to American industry, and often branching off to the state of the Union and to the political troubles which brought on the war of the Rebellion; but the bill failed to pass both houses at that session. It was taken up at the next meeting of Congress, but did not become a law until March 2, 1861 (12 Statutes, 178), after many of the southern members had left Congress. The opposition was not to the proposal to issue the notes, admitted to be necessary to supply the current demands on the treasury, exhausted on the eve of a great war, but to the provisions for an increase of the tariff contained in the same bill.

The act authorized the President to borrow, at any time within twelve months from the passage of the act, a sum not exceeding $10,000,000, to be applied to the payment of appropriations made by law and the balance of treasury notes then outstanding, and to no other purposes. No stipulation or contract was to be entered into which should prevent the United States from reimbursing the amount borrowed, at any time after the expiration of ten years from the first day of July next ensuing, after due notice given.

If the proposals made for the loan were not satisfactory, then the President was authorized, instead of borrowing the money, to issue treasury notes, in lieu thereof, for the full amount of the loan authorized, and also to substitute treasury notes for the whole or any part of the money which he was authorized to borrow by previous acts. The notes were to be for sums of not less than $50 each, bearing interest at the rate of 6 per cent. per annum, payable semi-annually; were to be redeemable, at the pleasure of the United States, within two years from the passage of the act; and were to cease to bear interest after being called in by the Secretary of the Treasury.

Under this act treasury notes to the amount of $35,364,450 were issued, of which amount $22,468,100 was redeemable in two years and $12,896,350 sixty days after date. It was the war of the Rebellion, which began a few weeks after the passage of the bill, that necessitated an increase so far in excess of the amount originally contemplated, an increase, however, which was warranted by the letter if not by the intent of the act.

OREGON WAR DEBT.

The settlement of Oregon appears to have commenced in 1839, but was confined to a few adventurous pioneers, who made their way across the plains from Missouri through friendly or hostile Indian tribes, until the year 1850, when emigration was stimulated by the passage of an act giving 320 acres of land to each settler, and, if married, the same amount to his wife. In 1851 the gold-washings of the Rogue river valley were discovered, which caused a sudden increase of population from the mining districts of California. Shortly after these miners arrived, the troubles with the Indians commenced.

In 1855 hostilities broke out and a general war ensued, which continued for more than a year, after which there was a short but hollow peace. In 1858 another war began, but was of short duration, the increased white population and the military forces of the general government soon overpowering the Indians.

At the breaking out of the war in 1855 the militia were called out by the governors of Oregon and Washington, and heavy expenses incurred. After the war closed a demand was made on the general government for the payment of these troops, and for the expenses of their maintenance in the field.

A commission, appointed under an act of Congress, was sent out to investigate the subject and audit the claims. The report of this commission stated the amount due to Oregon at $4,449,949 33, and to Washington $1,481,475 45.* A supplemental report added about $80,000, making the total amount to $6,011,424 78. The committee on military affairs referred this report and the papers to the third auditor of the treasury, under a resolution of the House, with directions to audit the claims, and in so doing to allow the militia the same pay as was given to regular soldiers of the same grade in the United States army, and for the supplies a reasonable approximation to what was already authorized by existing laws.

On the 7th of February, 1860, the third auditor transmitted his report to the House, showing that the claims, if settled on this footing, would aggregate $2,714,808 55. Against this reduction the delegates from Oregon and Washington protested. A bill passed the Senate in 1861, appropriating between three and four millions of dollars for the payment of these claims, but it never reached a vote in the House.

A bill for the payment of the Oregon and Washington war debt was introduced in February, 1861, passed both houses, with some slight amendments, and was approved March 2, 1861 (12 Statutes, 198). It appropriated, for the pay of volunteers in the war, the sum of $400,000, the claims to be examined and audited by the third auditor, and the volunteers to be allowed the same pay as United States officers and soldiers serving in Oregon and Washington. For the payment of claims for services, supplies, transportation, &c., incurred in the maintenance of the volunteers, $2,400,000 was appropriated, the claims to be also settled by the third auditor, and the prices allowed to be, as nearly as possible, the same as had been paid for supplies to the regular forces of the United States; horses and other property lost or destroyed in the military service to be settled for on the principles laid down in previous acts.

* Ex. Doc. H. R., 1st sess. 35th Cong., No. 45.

The Secretary of the Treasury was authorized, if he deemed it expedient, to issue to the claimants, or their representatives, in payment of their audited claims, bonds of the United States of a denomination not less than $50, redeemable in twenty years, and bearing interest at the rate of 6 per cent., with coupons attached, payable annually or semi-annually, at the discretion of the Secretary.

Under this act bonds to the amount of $1,090,850 were issued.

LOAN OF JULY AND AUGUST, 1861—OLD DEMAND NOTES—SEVEN-THIRTIES OF 1861.

The extra session of Congress which began July 4, 1861, was held under very different circumstances from those which had accompanied any preceding session. Eleven states had attempted to secede from the Union, and were in actual rebellion. Seventy-five thousand volunteers had been called into the field to suppress the unlawful combination, and Congress met in a military camp.

The Secretary of the Treasury, Salmon P. Chase, in his report on the finances, dated July 4, 1861, estimated the expenditures for the fiscal year 1862 at $318,519,581 87, and this sum, vast as it seemed, was, as events proved, more than $240,000,000 less than the actual expenditures.

The President, in his message to Congress at the beginning of the extra session, had asked authority to borrow $400,000,000, and this amount, added to the whole revenues of the government, was more than one hundred millions short of the actual expenditures.

A bill to meet the expenses of the war, by obtaining a loan of $250,000,000, was introduced in the House July 9, 1861, and considered in committee of the whole the next day. Debate on the bill was limited to one hour, and this hour was entirely occupied by one member. At the conclusion of his remarks the bill was passed by yeas 150, nays 5.

The bill passed the Senate without much debate, but with many amendments, which were concurred in by the House, and was approved July 17, 1861 (12 Statutes, 259.) It authorized the Secretary of the Treasury to borrow, on the credit of the United States, within twelve months from the passage of the act, a sum not exceeding $250,000,000, for which he was authorized to issue coupon or registered bonds, or treasury notes, in such proportions of each as he might deem advisable, the bonds to bear interest not exceeding 7 per cent. per annum, payable semi-annually, and redeemable, at the pleasure of the United States, after twenty years. The treasury notes to be of any denomination fixed by the Secretary, not less than $50, payable three years after date, with interest at the rate of $7\frac{3}{10}$ per cent. per annum, payable semi-annually.

The Secretary was also authorized to issue treasury notes of a less denomination than $50 and not less than $10, bearing interest at the rate of 3.65 per cent. per annum, payable in one year from date, and exchangeable at any time for treasury notes of $50 and upward, bearing interest as specified above; also, to issue treasury notes of less than fifty and not less than ten dollars, not bearing interest, but payable on demand; but the whole amount of such notes issued was not to exceed $50,000,000.

The Secretary was further authorized to issue, whenever he should deem it expedient, treasury notes of any of the denominations before specified, bearing interest not exceeding 6 per cent., payable at any time not exceeding twelve months after date, but the whole amount of notes so issued was not to exceed $20,000,000.

Notes of less than $50, when redeemed, might be reissued or canceled and new notes issued in their stead, but the aggregate amount of bonds and notes issued under previous sections of the act was never to exceed $250,000,000, and the power to issue or reissue the treasury notes was to cease December 31, 1862.

A bill supplemental to the above act was introduced in the Senate July 22, and passed both houses with but little debate, though some opposition was made to the section which allowed the Secretary of the Treasury to fix the denomination of the treasury notes at any sum below $50. The limit was finally fixed at $5, and the bill passed and was approved August 5, 1861 (12 Statutes, 313).

It authorized the Secretary to issue a part of the bonds provided for by the act of July 17, 1861, at 6 per cent. per annum, these bonds to be exchangeable for treasury notes bearing interest at $7\frac{3}{10}$ per cent., but no such bond was to be issued for less than $500, nor was the whole amount of such bonds to exceed the whole amount of treasury notes bearing $7\frac{3}{10}$ per cent. interest issued under the said act.

The Secretary was also authorized to issue treasury notes, not bearing interest, of denominations as low as five dollars. The act of February 12, 1862 (12 Statutes, 338), authorized the issue of $10,000,000 in demand notes in addition to the $50,000,000 authorized by the acts of July 17 and August 5, 1861.

Under these acts bonds and treasury notes were issued as follows:

Loan of July and August, 1861, 6 per cent. bonds	$189,321,350
Old demand notes, no interest	60,030,000
Seven-thirties of 1861, interest at $7\frac{3}{10}$ per cent	139,999,750
Total	389,351,100

When it is considered that only a year before a loan of $21,000,000 had been asked for, and only about one-third that sum obtained, it is evident that the danger which menaced the Union had aroused the people and induced them to pour out their means freely in aid of the government.

The disasters of the early part of the war were really a gain instead of a loss, as they convinced the North of the necessity of freely contributing money and men to save the imperiled nation.

FIVE-TWENTIES OF 1862—TEMPORARY LOAN.

The so-called "five-twenties of 1862" were issued under the authority granted by the act of February 25, 1862 (12 Statutes, 345), already referred to in the remarks on the legal-tender notes. The following is a copy of the second section of this act:

And be it further enacted, That to enable the Secretary of the Treasury to fund the treasury notes and floating debt of the United States, he is hereby authorized to issue, on the credit of the United States, coupon bonds, or registered bonds, to an amount not exceeding $500,000,000, redeemable at the pleasure of the United States after five years, and payable twenty years from date, and bearing interest at the rate of six per cent. per annum, payable semi-annually. And the bonds herein authorized shall be of such denominations, not less than $50, as may be determined upon by the Secretary of the Treasury. And the Secretary of the Treasury may dispose of such bonds at any time, at the market value thereof, for the coin of the United States, or for any of the treasury notes that have been, or may hereafter be, issued under any former act of Congress, or for United States notes that may be issued under the provisions of this act; and all stocks, bonds, and other securities of the United States held by individuals, corporations, or associations, within the United States, shall be exempt from taxation by or under state authority.

The success of this loan was remarkable, Secretary Chase having used every exertion to provide for its general distribution among the people. In his annual report to Congress, dated December 10, 1863, he said:

After ascertaining, by inquiry, that they could not be disposed of to capitalists, in amounts sufficient for prompt payment of the army and navy, and for the satisfaction of the just claims of public creditors generally, without serious loss, the Secretary determined to employ a general agent, under adequate bonds, and confide the whole work of distribution, except so far as it could be effected by the treasurer, assistant treasurers, and designated depositaries, to him, and to sub-agents designated by him, and responsible immediately to him. Under this plan, and chiefly through indefatigable efforts of the general agent and his sub-agents, five-twenty bonds to the amount of nearly $400,000,000, in denominations of $50, $100, $500, and $1,000, were distributed throughout the whole country not controlled by the rebellion, and among all classes of our countrymen. The history of the world may be searched in vain for a parallel case of popular financial support to a national government.*

On closing the subscription books at the time appointed, it was found that $11,000,000 over and above the amount asked for had already been subscribed, and the subscribers having complied with the regulations prescribed by the department, in its public notice inviting subscriptions, the secretary was obliged to ask for additional legislation to enable him to issue the required amount.

The act of March 3, 1864 (13 Statutes, 13), authorized an additional issue of $11,000,000 to persons who subscribed for this loan on or before the 21st day of January, 1864, the bonds so issued to have the same force and effect as if issued under the former act.

In March, 1863, it became necessary to transmit a considerable amount of funds to London, for a special purpose, for which an appropriation had been made by Congress, and it was thought advisable to deposit a certain amount of our securities with an eminent London banker, against which bills might be drawn. Five-twenty bonds, to the amount of $10,000,000, were accordingly placed in the hands of two distinguished citizens, to whose care the negotiation was committed. The negotiation failed, and $6,000,000 of the $10,000,000 were returned to the treasury and disposed of. It was thought advisable that the amount of $4,000,000 should remain, and that exchange should be drawn against it, and the bonds disposed of abroad, if a favorable market should be found. It appears, however, that very nearly this amount of issue is in excess of the $511,000,000 authorized by existing laws, $510,756,900 having been disposed of. The act of June 30, 1864, authorizes the secretary to dispose of "any bonds known as five-twenties remaining unsold". It is at least questionable whether, by this clause, power is conferred to dispose of an amount beyond that fixed by existing laws. Additional legislation may remove that doubt, should Congress think it advisable, otherwise they may be canceled. Exchange having been drawn, it became necessary to provide funds to meet the bills at maturity, which was accomplished by shipments of gold from California.†

The action taken by the Secretary met with the approval of Congress, and the act of January 28, 1865 (13 Statutes, 425), was passed, authorizing the further issue of bonds of this loan to an amount not exceeding $4,000,000, and their sale in the United States or Europe at any time, on such terms as the Secretary of the Treasury deemed most advisable.

Under these acts, bonds were issued to the amount of $514,771,600, bearing 6 per cent. interest, redeemable at the pleasure of the United States after five years, and payable twenty years from date.

Section 4 of the act of February 25, 1862 (12 Statutes, 345), provides:

That the Secretary of the Treasury may receive from any person or persons, or any corporation, United States notes on deposit for not less than thirty days, in sums of not less than $100, with any of the assistant treasurers or designated depositaries of the United States authorized by the Secretary of the Treasury to receive them, who shall issue therefor certificates of deposit, made in such form as the Secretary of the Treasury shall prescribe, and said certificates of deposit shall bear interest at the rate of 5 per cent. per annum; and any amount of United States notes so deposited may be withdrawn from deposit at any time after ten days' notice on the return of said certificates: *Provided*, That the interest on all such deposits shall cease and determine at the pleasure of the Secretary of the Treasury: *And provided further*, That the aggregate of such deposit shall at no time exceed the amount of $25,000,000.

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*Finance Report, 1863, p. 14. †Finance Report, 1864, p. 8.

Section 4 of the act of March 17, 1862 (12 Statutes, 370), authorized the increase of temporary loan deposits to an amount not exceeding $50,000,000, and this amount was still further increased to $100,000,000 by section 3 of the act of June 11, 1862 (12 Statutes, 532), which also provides that not less than $50,000,000 of legal tenders authorized by the act shall be reserved for the purpose of securing the prompt payment of such deposits when demanded; these notes to be issued and used only when, in the judgment of the Secretary of the Treasury, the same, or any part thereof, may be needed for that purpose. Section 4 of the act of June 30, 1864 (13 Statutes, 219), authorized a still further increase to an amount not exceeding $150,000,000, and an increase of the rate of interest to not exceeding 6 per cent. per annum, or a decrease of the rate of interest on ten days' notice, as the public interest might require. Under this authority temporary loan deposits were received, amounting in the aggregate to $716,099,247 16.

LEGAL-TENDER NOTES.

The Secretary of the Treasury, at the beginning of the extra session of Congress, July 4, 1861, had estimated the expenses during the fiscal year 1862 at $318,519,581 87. In his report on the finances, December 9, 1861, owing to the unexpected proportions which the war had assumed, and the extraordinary increase in the army and navy which had become necessary, he was obliged to revise his figures. He estimated, at that date, the expenditures during the year at $543,406,422 06, of which sum $213,904,427 68 remained to be provided, for which recourse must be had to loans. The result proved that even the increased figures were more than $20,000,000 too low.

A bill to authorize the issue of $100,000,000 in treasury notes, and to fund the outstanding debt and the floating debt, by the issue of $500,000,000 in bonds, was introduced in the House January 22, 1862. The first section of the bill, as introduced—though subsequently amended—provided that there should be printed on the back of the notes the following words:*

> The within note is a legal tender in payment of all debts, public and private, and is exchangeable for bonds of the United States bearing 6 per cent. interest.

This legal-tender clause developed opposition in both houses of Congress, even among supporters of the administration. It was well said in debate that this was the first time it had been proposed in the Congress of the United States to make anything but gold and silver a legal tender. The question has been raised and disputed as to whether what was called the "continental currency", issued during the war of the Revolution by the old government, was or was not legal tender. The facts appear to be that while the Continental Congress did not by any ordinance attempt to give it that character, they asked the states to do so, and all seem to have complied except Rhode Island. The Continental Congress only enacted that the man who refused to take the money should be deemed an enemy of his country. George Washington complained, in one of his letters, that he had been obliged to receive the currency at par, in payment of a debt, when it had so depreciated that its value was almost nominal. The opponents of the clause under which the first issue of the present legal-tender currency was made, said that such an issue would be, in effect, to aid and assist men who owed debts to pay them with a depreciated currency, at par, at the cost and expense of the creditor, and that it was therefore clearly a proposal to interfere with existing contracts; that the government was about to go before the community and ask for credit on the plighted public faith, and it was asked on what the public faith rested? Evidently on the belief that the government appreciated the inviolability of contracts. And yet, it was said, the very bill in which it was proposed to appeal for credit for a vast sum proposed to destroy this inviolability.

Those who favored the bill do not seem to have found any very strenuous arguments in favor of the legal-tender clause, *per se*, but made the plea that it was a necessity, a war measure, justified as any other step might be justified which had become necessary, in order that the nation might live.

The words of Secretary Chase on this subject show how the matter was regarded by the administration:†

> The provision making United States notes a legal tender has doubtless been well considered by the committee, and their conclusion needs no support from any observation of mine. I think it my duty, however, to say, that in respect to this provision my reflections have conducted me to the same conclusions they have reached. It is not unknown to them that I have felt, nor do I wish to conceal that I now feel, a great aversion to making anything but coin a legal tender in payment of debts. It has been my anxious wish to avoid the necessity of such legislation. It is, however, at present impossible, in consequence of the large expenditures entailed by the war, and the suspension of the banks, to procure sufficient coin for disbursements; and it has, therefore, become indispensably necessary that we should resort to the issue of United States notes. The making them a legal tender might, however, still be avoided if the willingness manifested by the people generally, by railroad companies, and by many of the banking institutions, to receive and pay them as money in all transactions were absolutely or practically universal, but, unfortunately, there are some persons and some institutions which refuse to receive and pay them, and whose action tends not merely to the unnecessary depreciation of the notes, but to establish discriminations in business against those who, in this matter, give a cordial support to the government, and in favor of those who do not. Such discriminations should, if possible, be prevented; and the provision making the notes a legal tender, in a great measure at least, prevents it, by putting all citizens, in this respect, on the same level, both of rights and duties.

It would appear that even the financiers of the country were very much divided in opinion respecting the legal-tender clause, and Mr. Fessenden, in his speech in the Senate on the bill, called attention to the fact:‡

> Nobody knows much upon the question of finance, not even those who are most familiar with it; for, sir, I declare to-day that, in the whole number of learned financial men that I have consulted, I never have found any two of them who agree, and therefore it is

* Cong. Globe, 2d sess. 37th Cong., p. 522. † *Ibid.*, p. 618. ‡ *Ibid.*, p. 766.

hardly worth while for us to plead any very remarkable degree of ignorance when nobody is competent to instruct us; and yet such is the fact. I can state to you, Mr. president, that on one day I was advised very strongly by a leading financial man, at all events to oppose this legal-tender clause; he exclaimed against it with all the bitterness in the world. On the very same day I received a note from a friend of his, telling me that we could not get along without it. I showed it to him, and he expressed his utter surprise. He went home, and next day telegraphed to me that he had changed his mind and now thought it was absolutely necessary; and his friend who wrote to me wrote again that he had changed his, and they were two of the most eminent financial men in the country.

When two of the leading financial luminaries could thus find themselves on both sides of so important a question within a few hours, it may be doubted whether enough fixed principles in finance have been discovered to entitle it to be called a science.

It is very evident that the issue of so large an amount of notes, without the legal-tender clause, must have caused them to depreciate much more than they did, and that with specie payments suspended by all the banks, and the coin of the country locked up, or in the hands of speculators, the distress must have been much increased by the fact that creditors could have demanded payment, not in the common currency, but in gold and silver, which could only have been obtained at exorbitant prices.

Several amendments to the original bill were adopted, including a modification of the legal-tender clause, and the amount of notes of that character to be issued was increased to $150,000,000.

The bill was approved February 25, 1862 (12 Statutes, 345). It authorized the Secretary of the Treasury to issue, on the credit of the United States, treasury notes to the amount of $150,000,000, bearing no interest and payable to bearer, of such denominations as he might deem expedient, not less than five dollars each. Fifty millions of these notes to be in lieu of the "demand notes" issued under the act of July 17, 1861, which latter were to be taken up as rapidly as practicable, and the notes authorized by this act substituted therefor.

The amount of the two kinds of notes together was at no time to exceed $150,000,000. These notes to be "receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States, except duties on imports, and of all claims and demands against the United States, of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin, and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid".

They were to be exchangeable in sums of $50, or any multiple thereof, for bonds of the United States, bearing interest at the rate of 6 per cent., payable semi-annually, the bonds to be redeemable at the pleasure of the United States after five years, and payable twenty years after date. The notes were made receivable the same as coin, at their par value, for any loans that might thereafter be sold or negotiated by the Secretary of the Treasury, and when received for such loans or for public dues might be reissued from time to time as the exigencies of the government might require.

The act of July 11, 1862 (12 Statutes, 532), authorized an additional issue of $150,000,000 in legal-tender notes of such denominations as the Secretary of the Treasury might deem expedient, but no note was to be for the fractional part of a dollar, and not more than $35,000,000 of lower denominations than $5. The act of March 3, 1863 (12 Statutes, 710), authorized another issue of $150,000,000 in legal-tender notes, including the amount authorized by resolution of January 17, 1863 (12 Statutes, 822), of such denominations not less than one dollar as the Secretary might prescribe.

This act also limited the time at which treasury notes might be exchanged for United States bonds to July 1, 1863.

Under these acts legal-tender notes have been issued amounting in the aggregate to $1,640,559,947. The difference between the amount authorized and the amount issued is accounted for by reissues from time to time, as authorized by law.

CERTIFICATES OF INDEBTEDNESS.

A bill to allow the issue of certificates for the amount due on audited and settled accounts was introduced in the Senate February 27, passed both houses without debate, and was approved March 1, 1862 (12 Statutes, 352).

It authorized the Secretary of the Treasury to issue, to any public creditor who might desire to receive the same, certificates for the whole amount due, or parts thereof, not less than $1,000, in satisfaction of audited and settled accounts. These certificates were to bear 6 per cent. interest per annum, and were payable one year from date or earlier at the option of the government. The act of March 17, 1862 (12 Statutes, 370), authorized the issue of these certificates to such public creditors as might desire to receive them, in payment of disbursing officers' checks drawn on the treasurer of the United States. The act of March 3, 1863 (12 Statutes, 710), made the interest payable in lawful money. Under these acts certificates of indebtedness amounting to $561,753,241 65 have been issued.

FRACTIONAL CURRENCY.

On the 17th of July, 1862, Mr. Hooper, of Massachusetts, introduced in the House of Representatives "A bill to authorize payments in stamps, and to prohibit the circulation of notes of less denominations than one dollar", accompanying his remarks with the following letter from the Secretary of the Treasury:

TREASURY DEPARTMENT, *July* 14, 1862.

SIR: The depreciation of the currency, resulting, in great measure, from the unrestricted issues of non-specie-paying banks and unauthorized associations and persons, causes the rapid disappearance from circulation of small coins. To supply the want of these coins, tokens and checks for sums less than one dollar are being issued by hotels, business houses, and dealers generally; and the most serious inconveniences and evils are apprehended unless these issues can be checked and the small coins of the government kept in circulation, or a substitute provided.

These objects may be accomplished by the extension of the principle of the act of February 21, 1853, to the United States notes. By that act the weight of the small coins was reduced, so as to make their actual less than their nominal value, in comparison with gold. If, during the existing troubles, the weight should be still further reduced, so as to establish a similar relation between these coins and the United States notes, it is highly probable, if not quite certain, that the coins will be retained in circulation. Of course, any enactment with this object should be accompanied by a prohibition of the circulation of tokens and certificates for fractional parts of a dollar, and should be limited in duration to the existing insurrection.

Should Congress see fit to adopt this expedient, a return to the existing basis, on the termination of the insurrection, will be practicable and easy.

The same object may be accomplished, and perhaps with less incidental evil consequence, by a similar prohibition, accompanied by a provision for the receipt of postage and other stamps in payment of the fractional parts of a dollar.

For the convenience of the committee, I inclose two bills prepared upon the principles just indicated.

With great respect,

S. P. CHASE,
Secretary of the Treasury.

Hon. THADDEUS STEVENS,
Chairman of the Committee of Ways and Means, United States House of Representatives.

The bill passed both houses without debate, and was signed by the President the same day.

The act as approved July 17, 1862 (12 Statutes, 592), is as follows:

That the Secretary of the Treasury be, and he is hereby, directed to furnish to the assistant treasurers, and such designated depositaries of the United States as may be by him selected, in such sums as he may deem expedient, the postage and other stamps of the United States, to be exchanged by them, on application, for United States notes; and from and after the first day of August next such stamps shall be receivable in payment of all dues to the United States less than five dollars, and shall be received in exchange for United States notes when presented to any assistant treasurer or any designated depositary selected as aforesaid in sums not less than five dollars.

That from and after August 1, 1862, no private corporation, banking association, firm, or individual shall make, issue, circulate, or pay any note, check, memorandum, token, or other obligation, for a less sum than one dollar, intended to circulate as money or to be received or used in lieu of lawful money of the United States; and every person so offending shall, on conviction thereof in any district or circuit court of the United States, be punished by fine not exceeding $500, or by imprisonment not exceeding six months, or by both, at the option of the court.

The fourth section of the act of March 3, 1863 (12 Statutes, 711), provides:

That in lieu of postage and revenue stamps for fractional currency, and of fractional notes, commonly called postage currency, issued or to be issued, the Secretary of the Treasury may issue fractional notes of like amounts in such form as he may deem expedient, and may provide for the engraving, preparation, and issue thereof in the Treasury Department building. And all such notes issued shall be exchangeable by the assistant treasurers and designated depositaries for United States notes in sums not less than three dollars, and shall be receivable for postage and revenue stamps, and also in payment of any dues to the United States less than five dollars, except duties on imports, and shall be redeemed on presentation at the treasury of the United States in such sums and under such regulations as the Secretary of the Treasury shall prescribe: *Provided*, That the whole amount of fractional currency issued, including postage and revenue stamps issued as currency, shall not exceed fifty millions of dollars.

The fifth section of the act of June 30, 1864 (13 Statutes, 220), covers substantially the same ground as the preceding act. Under the authority granted by these several acts fractional currency of various denominations has been issued, amounting in the aggregate to $368,720,079 51, including reissues.

LOAN OF 1863—ONE AND TWO YEAR NOTES OF 1863—COMPOUND-INTEREST NOTES—COIN CERTIFICATES.

The expenditures for the fiscal year 1864 were estimated by the Secretary of the Treasury, in his report on the finances, dated December 4, 1862, at $845,413,183 56. Deducting estimated receipts, $223,025,000, there remained to be provided $622,388,183 56, and for the service of the remainder of the fiscal year 1863 $276,912,517 66, making an aggregate deficiency of $899,300,701 22.

To provide this money the Secretary advised that recourse be had to loans, summing up his views in the following paragraph:

He recommends that whatever amounts may be needed beyond the sums supplied by revenue and through other indicated modes be obtained by loans, without increasing the issue of United States notes beyond the amount fixed by law, unless a clear public exigency shall demand it. He recommends, also, the organization of banking associations for the improvement of the public credit and for the supply to the people of a safe and uniform currency. And he recommends no change in the law providing for the negotiation of bonds except the necessary increase of amount and the repeal of the absolute restriction to market value and of the clauses authorizing convertibility at will.*

* Finance Report, 1862, p. 26.

The Secretary advised that, if Congress thought proper to continue the provision which required that 5.20 bonds should be sold only at their market value, and the clause in the legal-tender act authorizing convertibility, $7\frac{3}{10}$ three-year bonds might be issued, convertible into five-twenty sixes at or before maturity, also smaller notes bearing interest at 3.65 per cent. He argued that the advance in the price of gold was not owing to over-issues of treasury notes, but that gold, being practically demonetized by the suspension of the banks, had become a mere article of merchandise, subject to fluctuations, often sudden and violent, such as might occur in other commodities. He claimed, further, that if paper money was in excess of the wants of the country, such excess was not due to the issue of treasury notes, but to the issue of notes by hundreds of banks, under no legal restrictions, which had flooded the country with paper money, often of doubtful value and sometimes worthless, adducing in proof of this idea, that treasury notes were not in excess, the fact that as much of the great staples of life could then be purchased with treasury notes as could have been bought with gold before that metal disappeared from circulation. The idea advanced by the Secretary, that banking associations should be formed for the improvement of the public credit and to supply a safe and uniform currency to the people, was taken up by Congress, and resulted in the present national banking system.

A bill to provide ways and means for the support of the government was introduced in the House of Representatives by Mr. Stevens, of Pennsylvania, December 8, and considered in committee of the whole December 23, 1862. Mr. Stevens said that the bill had "produced a howl among the money-changers as hideous as that sent forth by their Jewish cousins when they were kicked out of the temple".* It is not strange that such a measure should have produced consternation in Wall street, for it proposed the issue of an additional amount of $200,000,000 in legal-tender notes and $1,000,000,000 in 6 per cent. bonds, and to tax the state banks out of existence. A substitute for this bill was reported from the committee of ways and means in the House January 8, 1863, and was first considered in committee of the whole January 12. This bill proposed the issue of $900,000,000 in 6 per cent. bonds, $300,000,000 in treasury notes, bearing interest at the rate of 5.47½ per cent., and $50,000,000 in fractional currency, and contained a provision for a tax of 2 per cent. on the issue of state banks above a certain percentage of their capital.

Mr. Spaulding, of New York, who advocated its passage, estimated the amount in excess of the receipts required to carry on the government to July 1, 1863, at $551,221,131 59, and the total amount required up to July 1, 1864, at $1,117,139,409 57,† a sum which exceeded the estimates of the Secretary of the Treasury by more than $200,000,000.

The public debt at that time, as shown by the treasury books, was stated at $783,804,252 64, while it was estimated that if the war should continue up to July 1, 1864, the debt would amount to $2,000,000,000. The whole bank circulation in the loyal states was estimated at $166,600,000, and the specie in possession of the banks at $86,931,000.‡ It was said that it would be simply impossible to continue so mighty a war by the use of gold and silver alone, there not being specie enough in the country, including all that was hoarded by the people, to carry on the operations of the government for four months, and not only so, but if all the currency of the loyal states could be poured into the public treasury, together with all the specie and all the "wild cat" bills, east and west, the whole would not meet the demands of the war up to July, 1864. England and France both, in times of war, extended their paper currency to the utmost limits. Even the bank of England, strong as it was, paid no specie from 1797 to 1821, and its notes were sold as late as 1814 at a discount of 25 per cent.§ After a lengthy debate in both House and Senate, during which Mr. Stevens' bill was amended in several particulars and referred three times to conference committees for the adjustment of differences, it was finally passed and became a law March 3, 1863. (12 Statutes, 709.)

Section 1 of this act is as follows:

That the Secretary of the Treasury be, and he is hereby, authorized to borrow from time to time, on the credit of the United States, a sum not exceeding $300,000,000 for the current fiscal year and $600,000,000 for the next fiscal year, and to issue therefor coupon or registered bonds, payable at the pleasure of the government after such periods as may be fixed by the Secretary, not less than 10 nor more than 40 years from date, in coin, and of such denominations, not less than $50, as he may deem expedient, bearing interest at a rate not exceeding 6 per cent. per annum, payable on bonds not exceeding $100 annually, and on all other bonds semi-annually, in coin; and he may, in his discretion, dispose of such bonds at any time, upon such terms as he may deem most advisable, for lawful money of the United States, or for any of the certificates of indebtedness or deposit that may at any time be unpaid, or for any of the treasury notes heretofore issued, or which may be issued under the provisions of this act. And all the bonds and treasury notes or United States notes issued under the provisions of this act shall be exempt from taxation by or under state or municipal authority: *Provided*, That there shall be outstanding of bonds, treasury notes, and United States notes, at any time, issued under the provisions of this act, no greater amount altogether than the sum of $900,000,000.

Under this act bonds to the amount of $75,000,000 were issued, bearing interest at 6 per cent., payable semi-annually. A subsequent act, approved June 30, 1864 (13 Statutes, 219, section 3), limited the issues to this sum, subscriptions for this amount having been already invited.

The second section of the act of March 3, 1863 (12 Statutes, 710), is as follows:

That the Secretary of the Treasury be, and he is hereby, authorized to issue, on the credit of the United States, $400,000,000 in treasury notes, payable at the pleasure of the United States, or at such time or times, not exceeding three years from date, as may h

* Cong. Globe, 37th Cong., 3d sess., p. 145.
† Ibid., p. 285.
‡ Ibid., p. 289.
§ Ibid., p. 341.

found most beneficial to the public interest, and bearing interest at a rate not exceeding six per centum per annum, payable at periods expressed on the face of said treasury notes; and the interest on said treasury notes and on certificates of indebtedness and deposit hereafter issued shall be paid in lawful money. The treasury notes thus issued shall be of such denomination as the Secretary may direct, not less than ten dollars, and may be disposed of on the best terms that can be obtained, or may be paid to any creditor of the United States willing to receive the same at par. And said treasury notes may be made a legal tender to the same extent as United States notes, for their face value, excluding interest; or they may be made exchangeable, under regulations prescribed by the Secretary of the Treasury, by the holder thereof at the treasury in the city of Washington, or at the office of any assistant treasurer or depositary designated for that purpose, for United States notes equal in amount to the treasury notes offered for exchange, together with the interest accrued and due thereon at the date of interest payment next preceding such exchange. And in lieu of any amount of said treasury notes thus exchanged or redeemed or paid at maturity the Secretary may issue an equal amount of other treasury notes; and the treasury notes so exchanged, redeemed, or paid shall be canceled and destroyed, as the Secretary may direct. In order to secure certain and prompt exchanges of United States notes for treasury notes when required as above provided, the Secretary shall have power to issue United States notes to the amount of $150,000,000, which may be used, if necessary, for such exchanges; but no part of the United States notes authorized by this section shall be issued for or applied to any other purposes than said exchanges; and whenever any amount shall have been so issued and applied, the same shall be replaced as soon as practicable from the sales of treasury notes for United States notes.

Under this authority treasury notes were issued amounting to $44,520,000, redeemable one year from date, and $166,480,000 redeemable two years from date.,

These notes, bearing interest at 5 per cent. per annum, were a legal tender for their face value, and are generally known as the "one and two year notes of 1863", according to the time for which they were to bear interest.

The authority for the issue of "compound-interest notes" was based upon the second section of the act of March 3, 1863 (12 Statutes, 710), which has been already quoted as authority for the issue of "one and two year notes of 1863". The amount issued under this act was $17,993,760. The act of June 30, 1864 (13 Statutes, 218), authorized the issue of $200,000,000 in treasury notes of any denomination not less than $10, payable at any time not exceeding three years from date, and bearing interest not exceeding $7\frac{3}{10}$ per cent., payable in lawful money at maturity, or, at the discretion of the Secretary of the Treasury, semi-annually, these notes to be disposed of on the best terms that could be obtained for lawful money; and such of them as should be made payable, principal and interest, at maturity, to be a legal tender to the same extent as United States notes for their face value, excluding interest.

The amount issued under this act was $248,601,680. Of this sum $177,045,770 was in redemption of 5 per cent. notes.

In addition to the authority granted by the act of March 3, 1863, which has been quoted above, still further means were provided by section 5 of the same act, which authorizes the issue of "coin certificates", and is as follows:

SEC. 5. That the Secretary of the Treasury is hereby authorized to receive deposits of gold coin and bullion with the treasurer or any assistant treasurer of the United States, in sums not less than twenty dollars, and to issue certificates therefor in denominations of not less than twenty dollars each, corresponding with the denominations of the United States notes. The coin and bullion deposited for or representing the certificates of deposit shall be retained in the treasury for the payment of the same on demand. And certificates representing coin in the treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed twenty per centum beyond the amount of coin and bullion in the treasury; and the certificates for coin or bullion in the treasury shall be received at par in payment for duties on imports.

Under this authority coin certificates to the amount of $981,134,880 46 have been issued, including reissues.

TEN-FORTIES OF 1864—FIVE-TWENTIES OF MARCH, 1864.

On the 25th of February, 1864, Mr. Stevens, of Pennsylvania, from the committee of ways and means, reported to the House of Representatives a bill supplemental to an act entitled "An act to provide ways and means for the support of the government", approved March 3, 1863 (12 Statutes, 709), which was read a first and second time, and recommitted. On the 29th it was again reported to the House, and, after a brief explanation of its provisions by Mr. Stevens, it passed the House without further debate. The bill came up in the Senate on the 3d of March. Considerable debate ensued on the second section of the bill, which provided for an additional issue of $11,000,000 to the $500,000,000 already authorized by the act of March 3, 1863 (see remarks on the "loan of 1863"). The exigencies of the government required prompt action on the bill, and after a few slight amendments in the Senate it passed that body and was sent back to the House, where the amendments were adopted and the bill passed. It was approved by the President and became a law March 3, 1864 (13 Statutes, 13). Section 1 is as follows:

That in lieu of so much of the loan authorized by the act of March third, eighteen hundred and sixty-three, to which this is supplementary, the Secretary of the Treasury is authorized to borrow, from time to time, on the credit of the United States, not exceeding two hundred millions of dollars during the current fiscal year, and to prepare and issue therefor coupon or registered bonds of the United States, bearing date March 1, 1864, or any subsequent period, redeemable at the pleasure of the government after any period not less than five years, and payable at any period not more than forty years from date, in coin, and of such denominations as may be found expedient, not less than fifty dollars, bearing interest not exceeding six per centum a year, payable on bonds not over $100 annually, and on all other bonds semi-annually, in coin; and he may dispose of such bonds at any time, on such terms as he may deem most advisable, for lawful money of the United States, or, at his discretion, for treasury notes, certificates of indebtedness, or certificates of deposit, issued under any act of Congress; and all bonds issued under this act shall be exempt from taxation by or under state or municipal authority.

And the Secretary of the Treasury shall pay the necessary expenses of the preparation, issue, and disposal of such bonds out of any money in the treasury not otherwise appropriated, but the amount so paid shall not exceed one-half of one per centum of the amount of the bonds so issued and disposed of.

Under this act 5 per cent. interest-bearing bonds to the amount of $196,118,300 were issued, redeemable after 10 and payable 40 years from date.

Bonds to the amount of $3,882,500, bearing interest at 6 per cent., redeemable in 5 and payable in 20 years, were also issued under the same authority. These latter have been generally known as the "Five-twenties of March, 1864".

FIVE-TWENTIES OF JUNE, 1864—SEVEN-THIRTIES OF 1864 AND 1865.

A bill to authorize a loan of $400,000,000 was reported in the House of Representatives June 20, 1864. The bill contained a provision that all bonds, treasury notes, and other obligations of the United States should be exempt from all taxation by or under any state or municipal authority. This provision was objected to on the ground that it would include legal-tender notes, certificates of indebtedness, and interest-bearing treasury notes, or, in other words, it would exempt from taxation the entire floating wealth of the country, except the notes issued by the national banks, which it was claimed could inure to the benefit of no other class of people than wealthy capitalists, the great mass of the people having no United States securities. It was said that a capitalist would be able under this act to withdraw all his means from state and municipal taxation, and thus make its burdens fall heavier on the poorer class. The policy of exempting any bonds whatever from taxation was severely commented on, and it was asked where the federal government obtained the power to make such exemption, no attempt having been made to exercise such power until the passage of the act of February 25, 1862. It was suggested by one member that it was possible that the bonds could not be taxed even if not specially exempted, and that it would be well for those who thought they should not be exempted to move to amend the bill and affirm the right of the states to tax the bonds of the general government.

It is worthy of note that not one of the speakers who debated this question referred to the fact that it had long before been decided by the Supreme Court of the United States. In the case of Weston *et al. vs.* The City Council of Charleston Chief Justice Marshall delivered the opinion of the court, from which we quote as follows:

* * * * * * * * *

Congress has power to borrow "money on the credit of the United States". The stock it issues is the evidence of a debt created by the exercise of this power.

The tax in question is a tax upon the contract subsisting between the government and the individual. It bears directly upon that contract, while subsisting and in full force. The power operates upon the contract the instant it is framed, and must imply a right to affect that contract. If the states and corporations throughout the union possess the power to tax a contract for the loan of money, what shall arrest this principle in its application to every other contract, what measure can government adopt which will not be exposed to its influence?

But it is unnecessary to pursue this principle through its diversified application to all the contracts and to the various operations of government. No one can be selected which is of more vital interest to the community than this of borrowing money on the credit of the United States. No power has been conferred by the American people on their government the free and unburthened exercise of which more deeply effects every member of our republic. In war, when the honor, the safety, the independence of the nation are to be defended, when all its resources are to be strained to the utmost, credit must be brought in aid of taxation, and the abundant revenue of peace and prosperity must be anticipated to supply the exigencies, the urgent demands of the moment.

The people, for objects the most important which can occur in the progress of nations, have empowered their government to make these anticipations, "to borrow money on the credit of the United States." Can anything be more dangerous, or more injurious, than the admission of a principle which authorizes every state and every corporation in the union which possesses the right of taxation to burthen the exercise of this power at their discretion?

If the right to impose the tax exists, it is a right which in its nature acknowledges no limits. It may be carried to any extent within the jurisdiction of the state or corporation which imposes it which the will of each state and corporation may prescribe. A power which is given by the whole American people for their common good, which is to be exercised at the most critical periods for the most important purposes, on the free exercise of which the interests certainly, perhaps the liberty of the whole may depend, may be burthened, impeded, if not arrested, by any of the organized parts of the confederacy. * * * * * *

The tax on government stock is thought by this court to be a tax on the contract, a tax on the power to borrow money on the credit of the United States, and consequently to be repugnant to the Constitution (Peters' Reports, 1829, vol. 2, page 465).

The act was approved June 30, 1864 (13 Statutes, 218). Section 1 authorized the Secretary of the Treasury to borrow, from time to time, on the credit of the United States, $400,000,000, and to issue therefor coupon or registered bonds of the United States, redeemable at the pleasure of the government after any period not less than five nor more than thirty years, or, if deemed expedient, made payable at any period not more than forty years from date; said bonds to be of such denominations as the Secretary might direct, not less than $50, and to bear an annual interest not exceeding 6 per cent, payable semi-annually, in coin. The Secretary was authorized to sell, in the United States or Europe, any of the bonds of this act upon such terms as he might deem advisable; also, any of the five-twenty bonds, authorized by other acts, remaining unsold, and to receive in payment lawful money of the United States, or, at his discretion, treasury notes, certificates of indebtedness, or certificates of deposit issued under any act of Congress; all bonds, treasury notes, or other obligations of the United States to be exempt from taxation by or under state or municipal authority.

Under this authority five-twenty bonds to the amount of $125,561,300 were issued, bearing interest at 6 per cent., and were sold at an average rate of $2\frac{5}{1000}$ per cent. premium.

Section 2 of the same act authorized the issue, in lieu of an equal amount of bonds authorized by the preceding section, and as a part of the same loan, $200,000,000 in treasury notes of any denomination not less than $10, payable at any time not exceeding three years, or, if thought more expedient, redeemable at any time after three years from date, and bearing interest not exceeding $7\frac{3}{10}$ per cent. per annum, payable in lawful money at maturity, or, at the discretion of the Secretary, semi-annually. These notes might be disposed of on the best terms that could be obtained in lawful money, and such of them as should be made payable, principal and interest, at maturity should be a legal tender to the same extent as United States notes for their face value, exclusive of interest. They were to be convertible, at the discretion of the Secretary, into any bonds issued under the act, and might be substituted in lieu of any United States notes or treasury notes which might be redeemed and canceled. The total amount of bonds and notes issued under the act was not to exceed $400,000,000, and the total amount of United States notes issued, or to be issued, was not to exceed that sum, and such additional sum, not exceeding $50,000,000, as might be required for the redemption of the temporary loan. The notes to be issued under this act were not to be a legal tender in payment or redemption of any notes issued by banks.

Section 3 authorized the Secretary to pay interest semi-annually on all bonds previously issued; and, in lieu of bonds previously authorized, with interest payable annually, others might be issued, with interest payable semi-annually. He was also authorized to exchange for treasury notes heretofore issued bearing interest at $7\frac{3}{10}$ per cent. like bonds of all denominations in which such treasury notes had been issued.

The act of March 3, 1865 (13 Statutes, 468), authorized a further loan of $600,000,000, and the issue therefor of bonds or treasury notes. For a copy of this act, see pages 89, 90 *post*.

An erroneous impression exists in the minds of many intelligent people that these seven-thirty coupon notes were made a legal tender by law and formed a part of our general currency circulation. This arises, no doubt, from the peculiar wording of a clause in the second section of the act already quoted above, which says: "Such of them as shall be made payable, principal and interest, at maturity shall be a legal tender to the same extent as United States notes for their face value, excluding interest." The fact is no portion of these notes were issued upon these terms, and but a comparatively small portion of them ever entered into circulation, and these only for a limited time, until the interest accrued sufficiently to render it profitable to hold them as an investment. Secretary Fessenden, in his annual report to Congress, dated December 6, 1864, refers to the manner in which these notes were placed upon the market, as follows:

The prospect of negotiating a loan in the ordinary way was by no means flattering, as the notice for a loan of thirty-three millions, advertised on the 25th day of June, had been withdrawn on the 2d of July, the Secretary having reason to believe that such loan would not be taken on terms which it would be for the interest of the government to accept.

Under these circumstances, the Secretary thought it advisable, in order to meet pressing emergencies, to borrow upon bonds or notes authorized by the various acts referred to $50,000,000 of the banks in the cities of New York, Philadelphia, and Boston, and met the representatives of a large number of these institutions in New York for the purpose of effecting that object. The result proved, however, that, notwithstanding a professed, and, as the Secretary was convinced, a real desire to aid the government, these institutions were not able to furnish the assistance required upon terms which, under existing provisions of law, the Secretary felt authorized to accept. He had then no other alternative than to issue legal-tender notes to a very large amount or again to advertise for a loan, and he had no hesitation as to which course should be adopted. Accordingly, on the 25th of July, he issued proposals for a national loan, under the act of June 30, 1864, upon notes payable in three years, with semi-annual interest at $7\frac{3}{10}$ per cent. per annum in lawful money. He incurred a considerable expense in advertising this loan, believing that it should be as widely diffused and as generally understood as possible, and offered liberal inducements to stimulate the efforts of corporations and individuals to dispose of the notes. His success, though not what he hoped for or anticipated, has been such as not to diminish his confidence in the disposition and ability of the people to relieve the wants of their government. A serious obstacle to greater success has been, the Secretary believes, the amount of other desirable national securities pressing upon the market, and presenting more favorable opportunities for investments.

Failing to raise the means required in the ordinary mode, and urged by the conviction that the large amount of suspended requisitions, swollen to more than $130,000,000, should be reduced, the Secretary resolved to use all the means at his command to pay so much, at least, as was due to our brave soldiers, who were suffering from the long delay in satisfying their just claims, but still continuing to serve their country with unflinching courage and uncomplaining devotion. To effect this object he was compelled to replace the whole amount of five per cent. notes which had been canceled, amounting to more than $80,000,000, and even slightly to exceed that sum. More fully to accomplish his purpose, the Secretary resolved to avail himself of a wish expressed by many officers and soldiers, through the paymasters, and offered to such as desired to receive them seven-thirty notes of small denominations. He was gratified to find that these notes were readily taken in payment to a large amount, our gallant soldiers, in many instances, not only receiving them with alacrity, but expressing their satisfaction at being able to aid their country by loaning money to the government. The whole amount of notes thus disposed of exceeded $20,000,000; and the Secretary has great satisfaction in stating his belief that the disposal thus made was not only a relief to the treasury, but proved a benefit to the recipients, in affording them a safe and valuable investment and an easy mode of transmitting funds to their families.

Secretary McCulloch, in his annual report dated December 4, 1865, said on this subject:

Upon the capture of Richmond and the surrender of the confederate armies it became apparent that there would be an early disbanding of the forces of the United States, and consequently heavy requisitions from the War Department for transportation and payment of the army, including bounties. As it was important that these requisitions should be promptly met, and especially important that not a soldier should remain in the service a single day for want of means to pay him, the Secretary perceived the necessity of realizing as speedily as possible the amount—$530,000,000—still authorized to be borrowed under this act. The seven and three-tenths notes had proved to be a popular loan, and although a security on longer time and lower interest would have been more advantageous to

the government, the Secretary considered it advisable, under the circumstances, to continue to offer these notes to the public, and to avail himself, as his immediate predecessors had done, of the services of Jay Cooke, esq., in the sale of them. The result was in the highest degree satisfactory. By the admirable skill and energy of the agent, and the hearty co-operation of the national banks, these notes were distributed in every part of the northern and in some parts of the southern states, and placed within the reach of every person desiring to invest in them. No loan offered in the United States, notwithstanding the large amount of government securities previously taken by the people, was so promptly subscribed for as this. Before the first of August the entire amount of $530,000,000 had been taken, and the Secretary had the satisfaction of being able, with the receipts from customs and internal revenue and a small increase of the temporary loan, to meet all the requisitions upon the treasury.*

Statement showing the amount of seven-thirty notes issued under the acts of June 30, 1864, and March 3, 1865, by denominations.

	$50.	$100.	$500.	$1,000.	$5,000.	Total value.
First series, dated August 15, 1864	363,952	566,039	171,666	118,528	4,166	$299,992,500
Second series, dated June 15, 1865	182,926	338,227	175,682	179,695	4,045	331,000,000
Third series, dated July 15, 1865	343,320	472,080	108,654	71,879	1,684	199,000,000
Total	890,198	1,376,346	456,002	370,372	9,895	829,992,500

These notes were issued worded as follows, and with five coupons attached to each note:

$50 INTEREST ONE CENT PER DAY. $50

Act of June 30, 1864.

Three years after date, the UNITED STATES promise to pay to the order of —— —— FIFTY DOLLARS, with 7 3/10 per cent. interest, payable semi-annually, in lawful money.

F. E. SPINNER,
Treasurer of the United States.

S. B. COLBY,
Register of the Treasury.

WASHINGTON, *August* 15, 1864.

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5 coupons attached. Last six months' interest payable with note. Prior installments payable only on presentation of coupons therefor.

[First coupon.]

$1 82½ Pay bearer $1 82½, February 15, 1865, for first six months' interest on $50 U. S. Treasury note No. 100,000.

F. E. SPINNER,
Treasurer of the United States.

[Reverse side.]

Pay to bearer

At maturity. Convertible at the option of the holder into BONDS redeemable at the pleasure of the government at any time after five years, and payable twenty years from August 15, 1867, with interest at 6 per cent. per annum, payable semi-annually, in coin.

50 UNITED STATES OF AMERICA. 50

Section 3590 Revised Statutes, page 708, reads as follows:

Treasury notes issued under the authority of the acts of March three, one thousand eight hundred and sixty-three, chapter sixty-three, and June thirty, one thousand eight hundred and sixty-four, chapter one hundred and seventy-two, shall be legal tender to the same extent as United States notes, for their face value, excluding interest: *Provided*, That treasury notes issued under the act last named shall not be a legal tender in payment on redemption of any notes issued by any bank, banking association, or banker, calculated and intended to circulate as money.

NAVY PENSION FUND.

This fund was first created by section 9 of the act of March 1, 1799 (1 Statutes, 716), which act was repealed by the "act for the better government of the navy of the United States", approved April 23, 1800 (2 Statutes, 45), and the fund was re-established by section 9 of the last-named act, which is as follows:

That all money accruing or which has already accrued to the United States from the sale of prizes shall be and remain forever a fund for the payment of pensions and half pay, should the same be hereafter granted to the officers and seamen who may be entitled to receive the same; and if the said fund shall be insufficient for the purpose, the public faith is hereby pledged to make up the deficiency; but if it should be more than sufficient, the surplus shall be applied to the making of further provision for the comfort of the *disabled* officers, seamen, and marines, and for such as, though not *disabled*, may merit, by their bravery or long and faithful services, the gratitude of their country.

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*Finance Report, 1865, p. 36.

section 5 of the same act is as follows:

[illegible] proceeds of all ships and vessels, and the goods taken on board of them, which shall be adjudged good prize, shall, when [illegible] superior force to the vessel or vessels making the capture, be the sole property of the captors; and when of inferior force, [illegible] divided equally between the United States and the officers and men making the capture.

By the same act the management of the fund was placed under the direction of the Secretaries of the Navy, Treasury, and War, for the time being, and they were required to lay before Congress, annually, in the first week [illegible] session, a minute statement of their proceedings relative thereto.

The act of March 26, 1804 (2 Statutes, 293), provided that the money accruing to the fund should be paid to, and disbursed by, the treasurer of the United States; and the act of April 16, 1816 (3 Statutes, 287), provided further means to enable the commissioners more effectually to secure its interests.

[illegible] of March, 1837, the fund amounted to $1,115,329 45, yielding an annual income of $68,101 33, while there were 308 [illegible] pensioners, 155 widow pensioners, and 95 children pensioners, receiving in the whole pensions amounting to $68,849. In other [illegible] the fund was sufficient to pay all the pensions chargeable upon it. On March 3, 1837, Congress passed a law which swept away [illegible] fund, the annual income of which had theretofore been sufficient not only to pay the pensions originally chargeable upon it, [illegible] to pay, in addition, the renewals of the five-years' pensions. By it the widows and children of those who *had died or might die a* [illegible] *claim* while attached to the naval service were allowed half pay *during widowhood and the minority of the children, to commence from* [illegible] *death* of the officer, seaman, or marine; and also invalid pensioners were entitled to draw their half pay from the time their [illegible] incurred. * * * A more effectual method to dissipate the whole fund could not have been devised under the semblance of *more equitable distribution*, as that act was entitled. By its retroactive operation enormous sums were drawn. A single widow drew [illegible] pension $22,950. Officers then and still in service, and in full pay, received sums of $4,000 and $5,000 each for their arrears. [illegible] the exhaustion of the fund the government has redeemed its pledge to keep the fund good as regards the disabled [illegible] ("Report of Committee on Naval Affairs", No. 531, 1st sess. 28th Cong).

The Secretary of the Navy, in his annual report to the President, dated December 7, 1863, said:

"The pension-roll on the 6th of November last amounted to $159,812 55, and the estimated increase during the remaining [illegible] of the fiscal year is $32,570. The moiety of prize money dedicated as a pension fund, and now accumulating, should be made [illegible] investment in registered government securities. Were such the case, it is believed that the annual interest would be sufficient [illegible] for naval pensions. At least $2,500,000 can now be invested without interfering with the prompt payment of pensions. [illegible] that the fund now on hand be made permanent, and that hereafter, whenever the amount shall reach $100,000, at least one- [illegible] in registered government securities, bearing 6 per cent. interest.

[illegible] June, 1864, a joint resolution prepared by the Secretary of the Navy was introduced in the [illegible] chairman of the committee on naval affairs. It was referred to the proper committee, was reported [illegible] with their unanimous approval, passed the Senate and House without debate, was approved, [illegible] July 1, 1864 (13 Statutes, 414), and is as follows:

[illegible] Navy, as trustee of the naval pension fund, be, and he is hereby, authorized and directed to cause to be [illegible] securities of the United States, on the first day of January and the first day of July of each year, so much of the [illegible] Treasury of the United States as may not be required for the payment of naval pensions for the then current fiscal [illegible] and so much of the said Secretary so much of the said fund as may not be required for such payment of pensions accruing [illegible] shall be held in the treasury on the days aforesaid in each year, subject to his order, for the purpose of such [illegible] the interest payable in coin upon the said securities in which the said fund shall be invested shall be so paid, [illegible] the Secretary of the Navy, and he is hereby authorized and directed to exchange the amount of such interest, [illegible] of the legal currency of the United States as may be obtained therefor at the current rates of premium on [illegible] interest, so converted, in the treasury to the credit of the said naval pension fund: *Provided*, That nothing [illegible] construed to interfere with the payment of naval pensions under the supervision of the Secretary of the Interior [illegible]

[illegible] power given the department to issue United States securities it was considered impolitic [illegible] of Congress bonds sufficient to cover the amount deposited; and, with the consent of the [illegible] the proper entries were made upon the books of the Treasury Department as if on account [illegible] the interest payable semi-annually according to law) while awaiting authority from [illegible] bonds for this special purpose.

[illegible] December 2, 1867, the Secretary said:

"[illegible] been increased during the year $1,250,000, making the aggregate at the present time $13,000,000. This [illegible] States from the sale of prizes, the public faith is pledged that it "shall be and remain forever a fund [illegible] officers, seamen, and marines who may be entitled to receive the same". It is also provided that if the [illegible] surplus shall be applied to the making of further provision for the comfort of disabled officers, [illegible] comply with this requirement, the act of March 2, 1867, provides for giving a cash pension in lieu of [illegible] who have been twenty years in the service, and authorizes relief for a specified time to those who [illegible] disablement. The benefit of this act has thus far been given to but seven persons, and though the number [illegible] probable that a portion only of the surplus will be used in this way. I recommend, therefore, that the [illegible] be revised, and such an increase in the rates of pensions be authorized as the funds will warrant. [illegible] incurred by the officers and men of the navy during the recent war, and it is eminently proper that its [illegible] whom the war has deprived of other support, as contemplated by the statute.

[illegible] the act of July 23, 1868 (15 Statutes, 170), it is provided:

[illegible] as the naval pension fund shall hereafter be at the rate of 3 per cent. per annum in lawful money, [illegible] the payment of the navy pensions according to existing laws.

In his report of December 7, 1868, the Secretary thus refers to the fund:

In my annual report for 1865 the proceeds of the sale of prizes captured during the war and adjudicated prior to the 1st of November of that year were given. Since that date most of the cases then in court have been determined, and upon the 1st of November of the present year the gross proceeds of such sales, as far as returned, amounted to $24,875,344 91; expenses, as far as returned, $1,828,000,86; net proceeds, $23,629,627 57.

During the year the naval pension fund has been increased $1,000,000, making a total at the present time of $14,000,000. * * *

It is difficult to reconcile the act of July last, which reduces the interest to 3 per cent. in currency, with the pledged faith previously given, which involves the national honor.

Had this loan been made to states or individuals on the terms specified, the contract would have been literally fulfilled. This fund belongs unquestionably to the officers, seamen, and marines of the navy, who, by their courage, activity, and enterprise, stimulated by the pledged faith of the government, captured the prizes from the avails of which the fund is derived. The income at the reduced rate of interest, less than is paid by the government for any other loan, and payable in what is called "lawful money" instead of coin, which is always lawful, and which was originally specified when the loan was made, may be sufficient to meet the necessary disbursements for the pensions at the rates now established. But had not the income been reduced over 50 per cent. by the act of July last, the rate of naval pensions might be increased, and I should have felt it a duty to renew my recommendation for a revision of the naval pension laws for that purpose at the present session of Congress.

Although taken up in the debt statement September 1, 1866, and thus apparently made a part of the outstanding debt, it can hardly be considered as a part of the public debt of the United States. Since the passage of the act of July 23, 1868, the interest on the fund seems to be properly a permanent appropriation of $420,000 per annum, applicable exclusively to the payment of navy pensions.

FIVE-TWENTIES OF 1865—CONSOLS OF 1865, 1867, AND 1868.

A bill to provide ways and means for the support of the government was reported from the committee of ways and means to the House of Representatives on the 27th of February, 1865, and at once taken up for consideration in committee of the whole. It was stated at the commencement of the debate that this bill had been prepared at the treasury, and was reported to the House with a few amendments, which, after consultation with the department, the committee recommended should be adopted.

It authorized the borrowing of $600,000,000 for the next fiscal year, upon similar terms as had been granted for previous loans, with the exception that nothing authorized by this bill should be made a legal tender or be issued in smaller denominations than $50. The annual rate of interest was limited to 6 per cent. if payable in coin, or $7\frac{3}{10}$ per cent. in currency, the bonds issued to be redeemable in not less than five nor more than forty years. The debate on the bill was somewhat limited. An unsuccessful effort was made to fix the rate of interest at 8 per cent., payable in lawful money, and to prevent the further issue of treasury notes. Secretary Fessenden, in his annual report to Congress, dated December 6, 1864, refers to the payment of the interest in coin or currency in the following words:

The laws authorizing the issue of bonds bearing interest in coin specifically pledged the revenue from customs to the payment of that interest and provided for the collection of those duties in the same currency. In the opinion of the Secretary, that pledge should not be violated. A departure from it could only be vindicated by one of those state necessities which justify a nation in temporarily postponing its obligations in order to preserve the power to discharge them at a future day. When the pledge was given no one anticipated a possible continuance of the war for such a length of time as would involve the increase of the public debt to the point it has already attained, or the possible payment of interest in coin to an amount beyond the ability of duties on imports to supply. It will be noticed, however, that our annual coin interest now exceeds $56,000,000. Should the additional amount required for the expenditures of the present fiscal year be raised upon bonds bearing interest in coin, and the revenue from customs not exceed the estimate predicated upon the receipts of the first quarter, it is quite manifest that resort must soon be had to some other source of supply, or recourse must be had to the emission of securities of a different character. It could not be expected that such securities would stand on a level with those the interest upon which is payable in coin unless an increased value should be given them by a higher rate of interest or their payment should be secured by a specific lien upon revenue.

In view of the serious considerations presented by this question, whether as affecting the market value of coin or the ability of government to meet its specific interest, should the war continue, from the revenue now specifically appropriated for that purpose, the Secretary is forced to the conclusion that we should in the future rely, for the most part, upon securities bearing interest in currency, convertible into bonds, the interest of which is payable in coin. Notes bearing an increased rate of interest, payable in currency, redeemable in three or five years, and convertible at maturity into five-twenty bonds, would be preferable, in the judgment of the Secretary, to any other form of security. Bonds at long date, the interest of which is payable in currency at the usual rates, would be less attractive, and in the end involve a much greater sacrifice.

The bill became a law March 3, 1865 (13 Statutes, 468), and reads as follows:

Be it enacted, &c., That the Secretary of the Treasury be, and he is hereby, authorized to borrow, from time to time, on the credit of the United States, in addition to the amounts heretofore authorized, any sums not exceeding in the aggregate six hundred millions of dollars, and to issue therefor bonds or treasury notes of the United States, in such form as he may prescribe; and so much thereof as may be issued in bonds shall be of denominations not less than fifty dollars, and may be made payable at any period not more than forty years from date of issue, or may be made redeemable, at the pleasure of the government, at or after any period not less than five years nor more than forty years from date, or may be made redeemable and payable as aforesaid, as may be expressed upon their face; and so much thereof as may be issued in treasury notes may be made convertible into any bonds authorized by this act, and may be of such denominations—not less than fifty dollars—and bear such dates and be made redeemable or payable at such periods as in the opinion

the Secretary of the Treasury may be deemed expedient. And the interest on such bonds shall be payable semi-annually; and on treasury notes authorized by this act the interest may be made payable semi-annually or annually, or at maturity thereof; and the principal, or interest, or both, may be made payable in coin or in other lawful money: *Provided*, That the rate of interest on any such bonds or treasury notes, when payable in coin, shall not exceed six per centum per annum; and when not payable in coin shall not exceed seven and three-tenths per centum per annum; and the rate and character of interest shall be expressed on all such bonds or treasury notes: *And provided, further*, That the act entitled "An act to provide ways and means for the support of the government, and for other purposes", approved June thirtieth, eighteen hundred and sixty-four, shall be so construed as to authorize the issue of bonds of any description authorized by this act. And any treasury notes or other obligations bearing interest, issued under any act of Congress, may, at the discretion of the Secretary of the Treasury, and with the consent of the holder, be converted into any description of bonds authorized by this act; and no bonds so authorized shall be considered a part of the amount of six hundred millions hereinbefore authorized.

And be it further enacted, That the Secretary of the Treasury may dispose of any of the bonds or other obligations issued under this act, either in the United States or elsewhere, in such manner, and at such rates, and under such conditions, as he may think advisable, for coin, or for other lawful money of the United States, or for any treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value, which have been or may be issued under any act of Congress; and may, at his discretion, issue bonds or treasury notes authorized by this act in payment for any requisitions for materials or supplies which shall have been made by the appropriate department or offices upon the treasury of the United States, on receiving notice in writing through the department or office making the requisition that the owner of the claim for which the requisition is issued desires to subscribe for an amount of loan that will cover said requisition or any part thereof; and all bonds or other obligations issued under this act shall be exempt from taxation by or under state or municipal authority.

And be it further enacted, That all the provisions of the act entitled "An act to provide ways and means for the support of the government, and for other purposes", approved June thirtieth, eighteen hundred and sixty-four, in relation to forms, inscriptions, devices, and the printing, attestation, sealing, signing, and counterfeiting thereof, with such others as are applicable, shall apply to the bonds and other obligations issued under this act: *Provided*, That nothing herein contained shall be construed as authorizing the issue of legal-tender notes in any form; and a sum, not exceeding one per centum of the amount of bonds and other obligations issued under this act, is hereby appropriated to pay the expense of preparing and issuing the same and disposing thereof.

A bill to amend the above act was reported to the House of Representatives from the committee of ways and means on the 1st of February, 1866. It proposed to so extend and construe the act of March 3, 1865, as to authorize the Secretary of the Treasury, at his discretion, to receive any treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this amendment was proposed, and also to dispose of any description of bonds authorized by that act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he might think advisable, for lawful money of the United States, or for any treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value, which had been or which might be issued under any act of Congress, the proceeds thereof to be used only for retiring treasury notes or other obligations issued under any act of Congress; but it was not to be construed to authorize any increase of the public debt.

Secretary McCulloch, in his annual report to Congress, dated December 4, 1865, had recommended this measure. He said:

Next in importance to the great questions involved in the restoration of the federal authority over the Southern states, and the re-establishment of civil government therein under the constitution, are the financial questions, embracing the currency, the public debt, and the revenue; all of which demand the early and careful attention of Congress. * * * * The fact that means have been raised, without foreign loans, to meet the expenses of a protracted and very costly war is evidence, not only of the great resources of the country, but of the wisdom of Congress in passing the necessary laws, and of the distinguished ability of the immediate predecessors of the present Secretary in administering them. * * * * The right of Congress, at all times, to borrow money and to issue obligations for loans in such form as may be convenient is unquestionable; but their authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law which sanctions whatever the representatives of the people, whose duty it is to maintain the government against its enemies, may consider in a great emergency necessary to be done. * * * * The interest-bearing notes which are a legal tender for their face value were intended to be a security rather than a circulating medium, and it would be neither injurious to the public nor an act of bad faith to the holders for Congress to declare that, after their maturity, they shall cease to be a legal tender, while such a declaration would aid the government in its efforts to retire them, and is therefore recommended. The rapidity with which the government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. * * * * The Secretary, therefore, respectfully but earnestly recommends—

First. That Congress declare the compound-interest notes shall cease to be a legal tender from the day of their maturity.

Second. That the Secretary be authorized, in his discretion, to sell bonds of the United States, bearing interest at a rate not exceeding 6 per cent., and redeemable and payable at such periods as may be conducive to the interests of the government, for the purpose of retiring not only compound-interest notes, but the United States notes.

Secretary McCulloch further recommended that he be authorized to sell, in his discretion, bonds of a similar character to meet any deficiency during the fiscal year; to reduce the temporary loan by such an amount as he might deem advisable; to pay the certificates of indebtedness as they matured; and also to take up any portion of the debt maturing prior to 1869 that could be advantageously retired, and said: "When the whole debt shall be put in such a form that the interest only can be demanded until the government shall be in a condition to pay the principal it can be easily managed."

The discussion took a wide range, in which the whole financial administration of the government during the war was reviewed at length. The action of Congress in relation to this bill was looked forward to with a great deal of interest, it being the first important measure presented to Congress since the close of the war tending to place our securities upon a firm and permanent basis. It was stated in debate that the Secretary had already

sufficient power to carry out the plan proposed by this bill, in reply to which Mr. McCulloch wrote the following letter to the chairman of the committee of ways and means:

TREASURY DEPARTMENT, *March* 23, 1866.

DEAR SIR: Your favor of the 22d instant is received, transmitting to me the following resolution, namely:

"*Resolved*, That a communication be addressed by this committee to the Secretary of the Treasury, stating that the committee has received, through one of its members, information that the Secretary is of opinion that he is, without further legislation, sufficiently armed with power to carry out the policy announced in his late annual report, and to request the Secretary to inform the committee whether such is his opinion."

In reply, I have to say that I must have failed to make myself clearly understood by the honorable member of the committee to whom reference is made. I did not intend to say to him that the Secretary is, "without further legislation, sufficiently armed with power to carry out the policy announced in his late annual report;" but I did intend to say to him that, if it should be found necessary to modify in any important particulars the provisions of the bill reported by the committee, I should prefer that it would not become a law. It will be, in my opinion, a national calamity if Congress shall fail to grant additional powers to the Secretary, for it will be very difficult, if not impossible, to fund the interest-bearing notes under existing laws; but I do not desire that the committee or myself should become in any way responsible for a law which is likely to fail in accomplishing its object.

I regard it as a matter of the greatest importance that the power of the Secretary should not be strictly defined. If, for example, the Secretary should be prohibited from selling bonds below par, it would be easy, as the market in the process of funding must be liberally supplied, for the enemies of the government to form successful combinations for keeping the bonds at such a price as would prevent the negotiation of them. On the other hand, if the authority of the Secretary in this respect is not limited, no such combinations would be likely to be formed. In my opinion, the best way of keeping the bonds at a premium will be to leave the Secretary unrestrained in the sale of them. Against an undefined power it will be difficult to form successful combinations. A limitation of the authority of the Secretary in this respect will be very likely to prevent funding. I do not, therefore, favor such a limitation, and should regret to have the committee responsible for it.

In regard to the other important feature of the bill—the authority to withdraw United States notes—I have merely to remark that I can conceive it to be of vast importance to the business of the country, the welfare of the people, and the credit of the nation that such a financial policy shall be adopted by this Congress as will prepare the way for a return to specie payments. *When* this can be brought about will depend upon the condition of national industry and the trade relations between the United States and foreign nations. It is not desirable that specie payments should be restored until that restoration can be made permanent by increased industry and a proper adjustment of the trade with Europe. The tendencies now are all in the right direction, and if they shall be assisted by judicious legislation I shall be hopeful that the currency of the country may be brought up to the specie standard without a large reduction of it.

The apprehension which exists that if power is given to the Secretary to retire United States notes the circulation of the country will be ruinously contracted is without any substantial foundation. If no reliance can be placed upon the discretion and carefulness of the Secretary, the very condition of the finances of the country will prevent such a reduction of the currency as will make either a tight money market or depress business. Authority to reduce the currency will go very far to prevent the necessity for a reduction. The battle will be more than half fought when the government shall adopt a healthy financial policy.

I am, very truly, your obedient servant,

H. McCULLOCH,
Secretary of the Treasury.

Hon. JUSTIN S. MORRILL,
Chairman of Committee of Ways and Means, House of Representatives.

After a long and exciting debate the bill finally passed both houses, was approved by the President, and became a law April 12, 1866 (14 Statutes, 31). The following is a copy of the act:

Be it enacted, &c., That the act entitled "An act to provide ways and means to support the government", approved March third, eighteen hundred and sixty-five, shall be extended and construed to authorize the Secretary of the Treasury, at his discretion, to receive any treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this is an amendment; and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he may think advisable, for lawful money of the United States, or for any Treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value, which have been or which may be issued under any act of Congress, the proceeds thereof to be used only for retiring treasury notes or other obligations issued under any act of Congress; but nothing herein contained shall be construed to authorize any increase of the public debt: *Provided*, That of United States notes not more than ten millions of dollars may be retired and canceled within six months from the passage of this act, and thereafter not more than four millions of dollars in any one month: *And provided further*, That the act to which this is an amendment shall continue in full force in all its provisions, except as modified by this act.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury shall report to Congress at the commencement of the next session the amount of exchanges made or money borrowed under this act, and of whom, and on what terms; and also the amount and character of indebtedness retired under this act and the act to which this is an amendment, with a detailed statement of the expense of making such loans and exchanges.

Under the authority conferred by these two acts the following 6 per cent. bonds have been issued:

Five-twenties of 1865	$203,327,250
Consols of 1865	332,998,950
Consols of 1867	379,618,000
Consols of 1868	42,539,350
Total	958,483,550

THREE PER CENT. CERTIFICATES.

On the 21st of February, 1867, Mr. Hooper, of Massachusetts, reported to the House of Representatives from the committee of ways and means "A bill to provide ways and means for the payment of compound-interest notes"

[illegible] Secretary of the Treasury to receive on deposit compound-interest notes, [illegible] certificates therefor bearing interest at a rate not exceeding [illegible] lawful money, and that these certificates might constitute and be [illegible] part of their reserve fund. The second section provided for the repeal of so much [illegible] as authorized the retirement of not more than $[illegible] within six [illegible] the passage and thereafter not more than $4,000,000 in any one month, and prohibited the [illegible] from retiring and canceling any such notes during the current year.

[illegible] in the course of debate on the bill that there was outstanding $140,000,000 of compound-interest [illegible] the whole the year, together with the interest; and while there was already sufficient authority under [illegible] for their redemption by conversion into five-twenty bonds or a further issue of seven-thirty [illegible] it would be far better for the public interest that they should be provided for in the way proposed than [illegible] issue of legal-tender notes, although a large saving of interest would be gained by the adoption of the [illegible] course.

The bill passed, after extended debate in both houses, and was finally agreed to in conference committee, and became a law March 3, 1867 (14 Statutes, 558). It authorized and directed the Secretary of the Treasury to issue [illegible] certificates in the manner prescribed by section 4 of the act of February 25, 1862, bearing interest at a rate not exceeding 6 per cent. per annum, principal and interest payable in lawful money on demand, and that [illegible] of temporary loan might constitute and be held by any national bank holding or owning the same [illegible] part of the reserve provided for in sections 31 and 32 of the act of June 3, 1864, provided that not less than [illegible] of the entire reserve of each bank should consist of lawful money of the United States, and provided further that the amount of such temporary certificates at any time outstanding should not exceed $[illegible].

The act of July 25, 1868 (15 Statutes, 183), authorized $25,000,000 additional of these certificates for the sole purpose of redeeming and retiring the remainder of the compound-interest notes. The amount issued under this authority was $[illegible], including reissues.

CERTIFICATES OF INDEBTEDNESS OF 1870.

The circumstances which gave rise to the issue of these securities are fully set forth in the following report of the committee to whom the matter had been referred by the House of Representatives:

The committee of claims, to which was referred a bill entitled "A bill to refund to the states of Massachusetts and Maine interest paid by them on advances to the United States, and to provide for the defense of the northeastern frontier", have had the same under consideration and submit the following report:

The advances referred to in said bill were for expenditures made by Massachusetts for the benefit of the United States in the war of 1812-15 with Great Britain. Maine was then an integral part of Massachusetts, and afterward, by the terms of separation from Massachusetts, made in 1820, she became the owner of one-third part of the claim for reimbursement on account of said expenditures.

These expenditures amounted to the sum of $343,349 60, and of this sum the United States, on the 2d day of March, 1831, refunded $439,748 26, and on the 3d day of March, 1859, the further sum of $227,176 48, making in all $667,924 74, and rejected, or left unpaid, the sum of $185,424 86.

Upon the amount thus recognized and refunded the said states make a claim for an allowance of interest upon it, to be computed by the usual and legal methods, and applying the limitation that the amount shall not at any time be in excess of the amount of interest the state of Massachusetts was then paying or losing. By this mode of computation, and by the application of this restriction, the amount of interest to be refunded or repaid is found to amount to about $1,245,000.

The committee find that it has been the uniform practice of the United States to allow and pay interest to the states upon expenditures made by them for war purposes from and including the revolutionary war to the war of the rebellion, the rules applied at different times being more or less restrictive. Seven states, namely, Virginia, Maryland, Delaware, New York, Pennsylvania, South Carolina and Massachusetts, made expenditures on account of the war of 1812-'15, and all of them have had interest allowed and paid to their several [illegible] except Massachusetts. In each case the committee also found that the interest was not paid at the time of settlement of the principal, but at periods long after such settlements, and in most cases as long as the period which has elapsed since the last payment of principle to Massachusetts and by special authority of Congress (see Senate report No. 4, first session of the present Congress, and cases therein referred to).

The claim for interest has received the sanction of the following committees of this House, namely, select committee on the defenses of the northeastern frontier, report No. 119, first session Thirty-eighth Congress; committee on foreign affairs, report No. 7, second session Thirty-ninth Congress. The committee on military affairs, at the last session of the Fortieth Congress, agreed upon a report in its favor, but [illegible] to report it to the House, by application of the rules. The committee on foreign relations of the Senate have three times favorably upon it. (See Senate bills: 457, second session Thirty-ninth Congress; 45, first session Fortieth Congress, and 232, first session Forty-first Congress.)

In view of all the facts and precedents bearing upon the case the committee believe that the amount of interest actually paid by Massachusetts on account of the expenditures made by her and acknowledged and refunded by the United States, at least, must in justice [illegible] now or at some future time; and in view of the fact that the claim has been assigned by the said states of Massachusetts [illegible] European and North American Railway Company of Maine, to aid said company in constructing its line of railway to [illegible] boundary of the United States, which railway is regarded as being of great importance in a political, commercial, and [illegible] point of view, we recommend the payment now, not of the amount found due under the rule of computation heretofore set forth [illegible] but the amount found due by us, by the application of a more restricted rule, to wit: by allowing the amount of interest actually paid by Massachusetts from the time of the expenditures to the time of the first payment, and then from the principal deducting the payment and upon the remainder of the principal allowing interest to the time of the last payment, by which the amount to be paid

in full to said states on their claim is reduced to the sum of $678,362 42. This amount we regard as being justly and fairly due on the claim, and to consummate this conclusion the accompanying bill is reported as a substitute for the bill referred to us, and its passage recommended by the House.*

The bill passed the House June 22—yeas 100, nays 62, not voting 68—and, passing the Senate July 7, became a law July 8, 1870 (16 Statutes, 197). It provided:

That there be allowed on the claim of the state of Massachusetts for interest paid by her on money expended by said state on account of the war with Great Britain, 1812 to 1815, the sum of $678,362 41, in full of said claim; and whereas, by an arrangement made by the said state of Massachusetts and the state of Maine, at the time of their separation in 1820, the said state of Maine becomes the owner of one-third of this claim; and whereas both of said states have assigned their respective interests in said claim to the European and North American Railway Company of Maine, to aid said company in constructing its line of railway, the Secretary of the Treasury is hereby authorized and directed to pay one-third part of the said claim of $678,362 41 to the state of Maine and the other two-thirds part thereof to the state of Massachusetts, by an issue to each of said states, for the use and benefit of said European and North American Railway Company, of an amount of United States certificates of indebtedness equal to its share in the whole sum allowed and to be paid; each certificate to run five years from its date, interest payable semi-annually at the rate of 4 per centum per annum, payable, both principal and interest, in lawful money of the United States.

FUNDED LOANS OF 1881, 1891, AND 1907.

In 1867 the first issue of the 6 per cent. bonds, known as "five-twenties", which were authorized by the act of February 25, 1862 (12 Statutes, 345), became redeemable at the pleasure of the government. The question of refunding them and five-twenty bonds of other issues at lower rates of interest had been discussed by the Secretary of the Treasury in his annual report to Congress in 1866, but the agitation of the question as to the kind of money in which the various obligations of the government should be paid had so excited the apprehensions of investors as to prevent the execution of any refunding scheme, and none was then adopted by Congress.

The act to strengthen the public credit was passed March 18, 1869 (16 Statutes, 1), and reads as follows:

Be it enacted, &c., That in order to remove any doubt as to the purpose of the government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin; and the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.

Secretary Boutwell, in his first report on the finances, dated December 6, 1869, advised that a portion of the five-twenty bonds should be funded in a new loan to an amount not exceeding $1,200,000,000, divided into three classes of $400,000,000 each, the first to be payable in fifteen years, and to be paid in twenty years; the second to be payable in twenty years, and to be paid in twenty-five years; and the third to be payable in twenty-five years, and to be paid in thirty years. On this subject the Secretary said:

The essential conditions of the new loan appear to me to be these:

1st. That the principal and interest shall be made payable in coin.

2d. That the bonds known as the five-twenty bonds shall be received in exchange for the new bonds.

3d. That the principal be payable in this country, and the interest payable either in the United States or in Europe, as the subscribers to the loan may desire.

4th. That the rate of interest shall not exceed 4½ per cent. per annum.

5th. That the subscribers in Europe shall receive their interest at London, Paris, Berlin, or Frankfort, as they may elect.

6th. That the bonds, both principal and interest, shall be free from all taxes, deductions, or abatements of any sort, unless it shall be thought wise to subject citizens of the United States to such tax upon income from the bonds as is imposed by the laws of the United States upon income derived from other money investments.

* * * * * * * * *

In offering the new loan citizens and subjects of other governments should receive the strongest assurance that the interest and principal are to be paid in coin, according to the terms of the bonds issued, without any deduction or abatement whatsoever.

Mr. Boutwell recommended that, in order to avoid the necessity of employing agents for the negotiation of the proposed new loan, a liberal commission be allowed to subscribers, and that those first subscribing be permitted to select the class of bonds in which their subscriptions should be made; and further, that the national banks be required to substitute bonds of the proposed new loan for such as were then deposited in the treasury as security for the redemption of their circulating notes.

On the 12th of January, 1870, a bill "to authorize the refunding and consolidation of the national debt, to extend banking facilities, and to establish specie payments"† was introduced in the Senate by Mr. Sumner, of Massachusetts, and was extensively debated for several months, during which time the financial system pursued by the government during the war of the rebellion was fully reviewed.

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* See Congressional Globe, 2d sess. 41st Cong., part 5, pp. 4669.

† Cong. Globe, 2d sess. 41st Cong., p. 378.

Various amendments to the bill were adopted, and it finally passed both houses, and became a law, July 14, 1870 (16 Statutes, 272). The following is the text of that portion of the act relative to refunding:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized to issue, in a sum or sums not exceeding in the aggregate two hundred million dollars, coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable semi-annually, in such coin at the rate of five per cent. per annum; also a sum or sums not exceeding in the aggregate three hundred million dollars of like bonds, the same in all respects, but payable at the pleasure of the United States after fifteen years from the date of their issue, and bearing interest at the rate of four and a half per cent. per annum; also a sum or sums not exceeding in the aggregate one thousand million dollars of like bonds, the same in all respects, but payable at the pleasure of the United States after thirty years from the date of their issue, and bearing interest at the rate of four per cent. per annum; all of which said several classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the treasury of the United States. But nothing in this act, or in any other law now in force, shall be construed to authorize any increase whatever of the bonded debt of the United States.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized to sell and dispose of any of the bonds issued under this act, at not less than their par value for coin, and to apply the proceeds thereof to the redemption of any of the bonds of the United States outstanding, and known as five-twenty bonds, at their par value, or he may exchange the same for such five-twenty bonds, par for par; but the bonds hereby authorized shall be used for no other purpose whatsoever. And a sum not exceeding one-half of one per cent. of the bonds herein authorized is hereby appropriated to pay the expense of preparing, issuing, advertising, and disposing of the same.

SEC. 3. *And be it further enacted*, That the payment of any of the bonds hereby authorized after the expiration of the said several terms of ten, fifteen, and thirty years shall be made in amounts to be determined from time to time by the Secretary of the Treasury, at his discretion, the bonds so to be paid to be distinguished and described by the dates and numbers, beginning for each successive payment with the bonds of each class last dated and numbered; of the time of which intended payment or redemption the Secretary of the Treasury shall give public notice, and the interest on the particular bonds so selected at any time to be paid shall cease at the expiration of three months from the date of such notice.

SEC. 4. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized, with any coin of the treasury in the United States which he may lawfully apply to such purpose, or which may be derived from the sale of any of the bonds, the issue of which is provided for in this act, to pay at par and cancel any six per cent. bonds of the United States of the kind known as five-twenty bonds which have become or shall hereafter become redeemable by the terms of their issue. But the particular bonds so to be paid and canceled shall in all cases be indicated and specified by class, date, and number, in the order of their numbers and issue, beginning with the first numbered and issued, in public notice to be given by the Secretary of the Treasury; and in three months after the date of such public notice the interest on the bonds so selected and advertised to be paid shall cease.

The act of January 20, 1871 (16 Statutes, 399), amending the above, reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the amount of bonds authorized by the act approved July fourteen, eighteen hundred and seventy, entitled "An act to authorize the refunding of the national debt", to be issued bearing five per centum interest per annum, be, and the same is, increased to five hundred millions of dollars, and the interest of any portion of the bonds issued under said act, or this act, may, at the discretion of the Secretary of the Treasury, be made payable quarter yearly: *Provided, however*, That this act shall not be construed to authorize any increase of the total amount of bonds provided for by the act to which this act is an amendment.

The first step toward refunding under the above acts was taken by Secretary Boutwell on the 28th of February, 1871, by the issue of public notice that on and after the 6th of March following books would be opened in this country and Europe for subscriptions to the several classes of bonds to be issued under the refunding acts.

The following is a statement of the amount of the coin-interest-bearing debt outstanding on the 1st of March, 1871, the nearest date prior to the commencement of operations under the refunding acts quoted above:

Title of loan.	Authorizing act.	Rate.	When redeemable.	When payable.	Amount.
		Per ct.			
Loan of 1858	June 14, 1858	5		January 1, 1874	$20,000,000
Loan of February, 1861 ('81's)	February 8, 1861	6		December 31, 1880	18,415,000
Oregon war debt	March 2, 1861	6		July 1, 1881	945,000
Loan of July and August, 1861 ('81's)	July 17 and August 5, 1861	6		June 30, 1881	189,318,100
Five-twenties of 1862	February 25, 1862	6	After May 1, 1867	May 1, 1882	498,738,350
Loan of 1863 ('81's)	March 3, 1863	6		June 30, 1881	75,000,000
Ten-forties of 1864	March 3, 1864	5	After March 1, 1874	March 1, 1904	194,567,300
Five-twenties of March, 1864	do	6	After November 1, 1869	November 1, 1884	3,162,000
Five-twenties of June, 1864	June 30, 1864	6	do	do	162,322,300
Five-twenties of 1865	March 3, 1865	6	After November 1, 1870	November 1, 1885	182,112,450
Consols of 1865	do	6	After July 1, 1870	July 1, 1885	364,612,700
Consols of 1867	do	6	After July 1, 1872	July 1, 1887	338,332,500
Consols of 1868	do	6	After July 1, 1873	July 1, 1888	20,000,750
Total					1,923,343,700

The act of December 17, 1873 (18 Statutes, 1), authorized the issue of an equal amount of bonds of the "loan of 1858" which the holders thereof might, on or before February 1, 1874, elect to exchange for bonds bearing the same rate of interest issued under the refunding acts. Under this authority $13,957,000 of the loan of 1[illegible] $260,000 of the loan of 1907 were issued in exchange for a like amount of bonds of the "loan of 1858".

The act of January 14, 1875 (18 Statutes, 296), entitled "An act to provide for the resumption of specie payments", reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and required, as rapidly as practicable, to cause to be coined, at the mints of the United States, silver coins of the denominations of ten, twenty-five, and fifty cents, of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or, at his discretion, he may issue such silver coins through the mints, the subtreasuries, public depositaries, and post-offices of the United States; and upon such issue he is hereby authorized and required to redeem an equal amount of such fractional currency, until the whole amount of such fractional currency outstanding shall be redeemed.

SEC. 2. That so much of section three thousand five hundred and twenty-four of the Revised Statutes of the United States as provides for a charge of one-fifth of one per centum for converting standard gold bullion into coin is hereby repealed, and hereafter no charge shall be made for that service.

SEC. 3. That section five thousand one hundred and seventy-seven of the Revised Statutes, limiting the aggregate amount of circulating notes of national banking associations, be, and is hereby, repealed; and each existing banking association may increase its circulating notes in accordance with existing law without respect to said aggregate limit; and new banking associations may be organized in accordance with existing law without respect to said aggregate limit; and the provisions of law for the withdrawal and redistribution of national-bank currency among the several states and territories are hereby repealed. And whenever, and so often, as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of three hundred million of dollars, to the amount of eighty per centum of the sum of national-bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of three hundred million dollars of such legal-tender United States notes, and no more. And on and after the first day of January, anno Domini eighteen hundred and seventy-nine, the Secretary of the Treasury shall redeem, in coin, the United States legal-tender notes then outstanding, on their presentation for redemption at the office of the assistant treasurer of the United States in the city of New York, in sums of not less than fifty dollars. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required he is authorized to use any surplus revenues from time to time in the treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July fourteenth, eighteen hundred and seventy, entitled "An act to authorize the refunding of the national debt", with like quanties, privileges, and exemptions, to the extent necessary to carry this act into full effect and to use the proceeds thereof for the purposes aforesaid. And all provisions of law inconsistent with the provisions of this act are hereby repealed.

Under the authority granted by this act 5 per cent. bonds of the "loan of 1881" have been issued to the amount of $17,494,150, for the purpose of replacing the coin used in the purchase of silver applied to the redemption of fractional currency. Bonds have been sold for resumption purposes since March 1, 1877, amounting to $65,000,000 of the 4½ per cent. loan of 1891, and $25,000,000 of the 4 per cent. loan of 1907. In 1878 there were issued $5,500,000 of the 4 per cent. bonds of 1907, for the purpose of replacing the coin used in payment of the Halifax award.

The act of March 3, 1875 (18 Statutes, 466), directed the Secretary of the Treasury to issue bonds of the character and description set out in the act of July 14, 1870 (16 Statutes, 272), to James B. Eads or his legal representatives in payment at par of the warrants of the Secretary of War for the construction of jetties and auxiliary works to maintain a wide and deep channel between the South pass of the Mississippi river and the Gulf of Mexico, unless Congress should have previously provided for the payment of the same by the necessary appropriation of money.

Under this authority the sum of $500,000 of the 5 per cent. bonds of 1881 was issued in 1877.

The act of January 25, 1879 (20 Statutes, 265), provides:

That the Secretary of the Treasury is hereby authorized in the process of refunding the national debt under existing laws to exchange directly at par the bonds of the United States bearing interest at four per centum per annum authorized by law for the bonds of the United States commonly known as five-twenties outstanding and uncalled, and, whenever all such five-twenty bonds shall have been redeemed, the provisions of this section and all existing provisions of law authorizing the refunding of the national debt shall apply to any bonds of the United States bearing interest at five per centum per annum or a higher rate, which may be redeemable. In any exchange made under the provisions of this section interest may be allowed, on the bonds redeemed, for a period of three months.

The whole amount of bonds issued under the several refunding acts above referred to are as follows:

Five per cent. loan of 1881	$517,494,150
Four and one-half per cent. loan of 1891	250,000,000
Four per cent. loan of 1907	739,480,800

The following is a copy of the text of the four per cent. United States bonds issued under the authority above referred to:

1877. FOUR PER CENT. CONSOLS OF THE UNITED STATES. 1907.

WASHINGTON, *July* 1, 1877.

The United States of America are indebted to ——, or assigns, in the sum of ——.

This bond is issued in accordance with the provisions of an act of Congress entitled "An act to authorize the refunding of the national debt, approved July 14, 1870", amended by an act approved January 20, 1871, and is redeemable at the *pleasure* of the United States, after the first day of July, A. D. 1907, in coin of the standard value of the United States on said July 14, 1870, with interest in such coin from the day of the date hereof at the rate of 4 per centum per annum, payable quarterly on the 1st day of October, January, April, and July in each year. The principal and interest are exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal, or local authority.

Transferable on the books of the office.
Entered:

Recorded: .....
.....

The text of the 4½ and 5 per cent. bonds, issued under the same authority, is the same as the preceding, with the exception of the date of issue, the rate per cent., and the dates of maturity.

The following is a statement showing the refunding operations since March 1, 1871, and the reduction of the annual interest charge:

Title of loan.	Authorizing act.	Interest.	Amount refunded.	Annual interest charge.
		Per cent.		
Loan of 1858	June 14, 1858	5	$14,217,000 00	$10,405,362 50
Ten-forties of 1864	March 3, 1864	5	193,890,250 00	
Five-twenties of 1862	February 25, 1862	6	401,145,600 00	71,234,433 00
Five-twenties of March, 1864	March 3, 1864	6	1,327,100 00	
Five-twenties of June, 1864	June 30, 1864	6	59,185,450 00	
Five-twenties of 1865	March 3, 1865	6	160,144,500 00	
Consols of 1865	March 3, 1865	6	211,337,050 00	
Consols of 1867	March 3, 1865	6	316,423,800 00	
Consols of 1868	March 3, 1865	6	37,677,050 00	
Total			1,395,347,800 00	81,639,795 50

In lieu of the above bonds, there have been issued other bonds bearing interest as follows:

Title of loan.	Authorizing act.	Interest.	Amount issued.	Annual interest charge.
		Per cent.		
Funded loan of 1881	July 14, 1870	5	$500,000,000 00	$25,000,000 00
Funded loan of 1891	July 14, 1870	4½	185,000,000 00	8,325,000 00
Funded loan of 1907, including refunding certificates	July 14, 1870	4	710,347,800 00	28,413,912 00
Total			1,395,347,800 00	61,738,912 00

Making an annual saving hereafter in the interest charge, on account of refunding operations, of $19,900,883 50.

The interest-bearing debt has been reduced during the same period as follows:

Interest-bearing debt, March 1, 1871	$1,977,551,700 00
Interest-bearing debt, July 1, 1880	1,723,993,100 00
Reduction in interest-bearing debt	253,558,600 00
Annual interest charge, March 1, 1871	114,858,869 00
Annual interest charge, July 1, 1880	79,633,981 00
Reduction in annual interest charge	35,224,888 00

With a reduction of the total principal of the debt as follows:

Debt, less cash in the treasury, March 1, 1871 (principal)	$2,283,145,432 13
Debt, less cash in the treasury, July 1, 1880 (principal)	1,919,326,747 75
Total reduction	363,818,684 38
Reduction of principal of the debt since March 1, 1871	286,758,875 81

REFUNDING CERTIFICATES.

A bill authorizing the issue of certificates of deposit in aid of the refunding of the public debt was reported to the House of Representatives, from the committee of ways and means, December 10, 1878; which was read twice and recommitted. The bill was reported back to the House, with a favorable recommendation, on the 15th of January 1879, and was at once taken up for consideration. It authorized the Secretary of the Treasury to issue, in exchange for lawful money, certificates of deposit of the denomination of $10, bearing interest at the rate of 3 per cent. per annum, and convertible at any time, with accrued interest, into 4 per cent. bonds described in the refunding act. An exciting debate ensued, during which it was stated that this was a measure intended to convert the treasury into a savings bank for small investments, and at the same time discriminate between them and the holder of securities in larger amounts. On the other hand, it was shown to be simply a means of facilitating the refunding of the debt with more rapidity by permitting private subscriptions of $10 each, or any multiple of $10, to be held by the government as a loan at 3 per cent. interest until such time as the individual subscriptions should amount to $50, when they could be transferred or converted into 4 per cent. bonds. The bill passed the House and was amended in the Senate by an increase in the rate of interest from 3 to 4 per cent., which amendment was concurred in by the House, and the bill became a law February 26, 1879 (20 Statutes, 321). Section 1 of the act provides:

That the Secretary of the Treasury is hereby authorized and directed to issue, in exchange for lawful money of the United that may be presented for such exchange, certificates of deposit, of the denomination of ten dollars, bearing interest at the rate

cent. per annum, and convertible at any time, with accrued interest, into the four per cent. bonds described in the refunding act; and the money so received shall be applied only to the payment of the bonds bearing interest at a rate of not less than five per cent. in the mode prescribed by said act; and he is authorized to prescribe suitable rules and regulations in conformity with this act.

Under this act refunding certificates have been issued amounting to $40,012,750, all of which have been refunded into 4 per cents. of 1907 except $1,367,000, outstanding June 30, 1880.

CERTIFICATES OF DEPOSIT.

On the 21st of February, 1872, Mr. Merriam, of New York, introduced in the House of Representatives "A bill to facilitate bank clearing-house exchanges", which was read twice and referred to the committee on banking and currency. The bill as reported back from the committee on the 8th of March, with several amendments, and number and title changed, came up for consideration on the 10th of May. After a brief explanation from Mr. Merriam, in which he stated that no principle of finance was involved in it, but that it was simply intended to lessen the burdens of the clearing-house exchanges, which had grown to such a magnitude as to render it almost impossible to transact business with safety without the aid of this legislation, the rules were suspended and the bill passed the House unanimously. It passed the Senate on the 6th of June, without debate, and became a law June 8, 1872 (17 Statutes, 336). The following is the text of the act:

Be it enacted, &c., That the Secretary of the Treasury is hereby authorized to receive United States notes on deposit, without interest, from national banking associations, in sums not less than $10,000, and to issue certificates therefor in such form as the Secretary may prescribe, in denominations of not less than $5,000; which certificate shall be payable on demand in United States notes, at the place where the deposits were made.

SEC. 2. That the United States notes so deposited in the treasury of the United States shall not be counted as part of the legal reserve; but the certificates issued therefor may be held and counted by national banks as part of their legal reserve, and may be accepted in the settlement of clearing-house balances at the places where the deposits therefor were made.

SEC. 3. That nothing contained in this act shall be construed to authorize any expansion or contraction of the currency; and the United States notes for which such certificates are issued, or other United States notes of like amount, shall be held as special deposits in the treasury, and used only for the redemption of such certificates.

SILVER CERTIFICATES.

On the 5th of November, 1877, Mr. Bland, of Missouri, introduced in the House of Representatives "A bill to authorize the free coinage of the standard silver dollar, and to restore its legal-tender character". It authorized the coinage of silver dollars of the weight of 412½ grains, troy, of standard silver, in conformity with the provisions of the act of January 18, 1837 (5 Statutes, 136), which coins, together with all silver dollars heretofore coined by the United States of like weight and fineness, should be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise provided by contract; and provided that any owner of silver bullion might deposit the same at any United States mint or assay office, to be coined into such dollars, for his benefit, upon the same terms and conditions as gold bullion deposited for coinage under existing laws. The bill appears to have passed the House, without debate, the same day, by a vote of 163 ayes; 34 nays; not voting, 93. The bill was reported to the Senate by the committee on finance November 21, with several important amendments added thereto, and it came up for consideration on the 6th of December. On the 31st of January, 1878, Mr. Booth, of California, introduced in the Senate an amendment as follows:

SEC. —. That any holder of the coin authorized by this act may deposit the same with the treasurer or any assistant treasurer of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificates shall be retained in the treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and, when so received, may be reissued.

After an extended debate, during which the several amendments to the original bill as it passed the House were freely discussed, and the whole question of the remonetization of silver was thoroughly reviewed, the bill, as amended, passed the Senate on the 15th, and the Senate amendments were agreed to by the House on the 21st of February. The President declined to approve it, and gave his reasons therefor in a special message to the House of Representatives, notwithstanding which the bill was passed over the veto of the President the same day, and became a law February 28, 1878 (20 Statutes, 26). The act is as follows:

"*Be it enacted, &c.*, That there shall be coined, at the several mints of the United States, silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837, on which shall be the devices and superscriptions provided by said act; which coins, together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. And the Secretary of the Treasury is authorized and directed to purchase, from time to time, silver bullion, at the market price thereof, not less than $1,000,000 worth per month, nor more than $4,000,000 worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the treasury not otherwise appropriated. Any gain or seigniorage arising from this coinage shall be accounted for and paid into the treasury,

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THE NATIONAL LOANS OF THE UNITED STATES FROM JULY 4, 1776, TO JUNE 30, 1880.

PART II.—ISSUES AND REDEMPTIONS.

LOAN FROM FARMERS-GENERAL OF FRANCE.

The authority for contracting this loan is found in the Secret Journals of Congress, "Foreign Affairs", volume ii, page 36, under date of December 23, 1776, as follows, to wit:

"*Resolved*, That the commissioners of Congress at the court of France be authorized to borrow, on the faith of the thirteen United States, a sum not exceeding two millions sterling, for a term not less than ten years. That if the money borrowed cannot be obtained at a less interest than six per cent., the commissioners be permitted to engage for that rate of interest; and that they stipulate for the payment of the interest at periods not less than annual. That if the commissioners can contract for the payment of the principal and interest in the products of North America, to be delivered here, it will be very agreeable to Congress."

Length of loan, indefinite; payable as per contract; amount authorized, $10,000,000; amount issued, $181,500; sold at par; interest 5 per cent., payable annually; final redemption December 31, 1793.

ISSUES.

Calendar year.	FIRST QUARTER.		SECOND QUARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Livres.	Dollars.	Livres.	Dollars.	Livres.	Dollars.	Livres.	Dollars.	Livres.	Dollars.
1777			1,000,000 0 0	181,500 00					1,000,000 0 0	181,500 00
Total									1,000,000 0 0	181,500 00

REDEMPTIONS.

1778					14,442 1 7	2,621 24			14,442 1 7	*2,621 24
1779	91,207 16 0	16,554 21	47,579 8 0	8,635 66					138,787 4 0	*25,189 87
1793							846,770 14 5	153,688 89	846,770 14 5	153,688 89
Total									1,000,000 0 0	181,500 00

*These payments were made in tobacco. The interest on the balance of this loan ($153,688 89) ceased December 31, 1793, when it was merged in the general account of the French debt; this date is therefore given as that of its final redemption.

FRENCH LOAN OF EIGHTEEN MILLION LIVRES.

The Continental Congress, by resolution of December 3, 1777, authorized the commissioners at the courts of France and Spain to obtain "a loan of two millions sterling, on the faith of the thirteen United States, for a term not less than ten years, with permission, if practicable, to pay the same sooner if it shall be agreeable to these states, giving twelve months' previous notice to the lender of such intention to return the money" (Journals of Congress, vol. ii, p. 359). If the money borrowed could not be obtained at a less rate of interest than 6 per cent., commissioners were permitted to engage for that rate, and to stipulate for the payment of the interest at not less than annual (Secret Journals, vol. ii, p. 55).

...AND LOAN OF 1790.

The act of August 4, 1790 ... authorized a loan of not exceeding $12,000,000, to be applied to paying, ... whole ... debt of the United States. The rate of interest was not limited. No contract was to be made ... prevent the government from reimbursing the loan within 15 years. The act of August 12, 1790 ... authorized a loan of not exceeding $2,000,000, at not exceeding 6 per cent. interest, ... purchase of the debt of the United States.

Loan of ... annual installments from February 1, 1800; amount authorized, $14,000,000; ... 54 per cent.; interest, 3 per cent., payable annually; final redemption, 1804.

...SUES.

	THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
	...	...	242,400 00	60,200 00	2,845,000 00	1,138,000 00
	...	...	...	...	157,000 00	62,800 00
	...	...	...	...	3,000,000 00	1,200,000 00

...EDEMPTIONS.

...	...	...	600,000 00	240,000 00
...	...	...	600,000 00	240,000 00
...	...	...	600,000 00	240,000 00
...	...	...	600,000 00	240,000 00
...	...	...	600,000 00	240,000 00
...	...	...	3,000,000 00	1,200,000 00

... fixed by contract at 4½ per cent. on the principal.

...AND LOAN OF MARCH, 1791.

... authorized a loan of not exceeding $12,000,000, to be ... debt of the United States. The rate of interest was not limited. ... prevent the government from reimbursing the loan within fifteen years. ... Section 4, authorized a loan of not exceeding $2,000,000, at not ... purchase of the debt of the United States.

... annual installments from 1802; amount authorized, $14,000,000; ... interest, 3 per cent., payable annually; final redemption, 1805.

ISSUES.

	THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
	...	...	...	...	2,500,000 00	1,000,000 00
	...	...	...	...	2,500,000 00	1,000,000 00

REDEMPTIONS.

...	...	...	500,000 00	200,000 00
...	1,000,000 00	400,000 00	1,000,000 00	400,000 00
...	500,000 00	200,000 00	500,000 00	200,000 00
...	...	...	500,000 00	200,000 00
...	...	...	2,500,000 00	1,000,000 00

... fixed by contract at 4 per cent. on the principal.

HOLLAND LOAN OF SEPTEMBER, 1791.

The act of August 4, 1790 (1 Statutes, 139, section 2), authorized a loan of not exceeding $12,000,000, to be applied to paying, in whole or in part, the foreign debt of the United States. The rate of interest was not limited. No contract was to be made which should preclude the government from reimbursing the loan within fifteen years. The act of August 12, 1790 (1 Statutes, 187, section 4), authorized a loan of not exceeding $2,000,000, at not exceeding 5 per cent. interest, to be applied to the purchase of the debt of the United States.

Length of loan, 10 to 15 years; payable in annual installments from 1802; amount authorized, $14,000,000; amount issued, $2,400,000; sold at 96 per cent.; interest, 5 per cent., payable annually; final redemption, 1805.

ISSUES.

Calendar year.	FIRST QUARTER.		SECOND QUARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
1791					3,721,000 00	1,488,400 00	2,279,000 00	911,600 00	6,000,000 00	2,400,000 00
Total									6,000,000 00	2,400,000 00

REDEMPTIONS.

1802					1,200,000 00	480,000 00			1,200,000 00	480,000 00
1803							2,400,000 00	960,000 00	2,400,000 00	960,000 00
1804							1,200,000 00	480,000 00	1,200,000 00	480,000 00
1805	1,200,000 00	480,000 00							1,200,000 00	480,000 00
Total									6,000,000 00	2,400,000 00

The charges for negotiating this loan were fixed by contract at 4 per cent. on the principal.

ANTWERP LOAN OF 1791.

The act of August 4, 1790 (1 Statutes, 139, section 2), authorized a loan of not exceeding $12,000,000, to be applied to paying, in whole or in part, the foreign debt of the United States. The rate of interest was not limited. No contract was to be made which should preclude the government from reimbursing the loan within fifteen years. The act of August 12, 1790 (1 Statutes, 187, section 4), authorized a loan of not exceeding $2,000,000, at not exceeding 5 per cent. interest, to be applied to the purchase of the debt of the United States.

Length of loan, 10 to 15 years; payable in annual installments from 1802; amount authorized, $14,000,000; amount issued, $820,000; sold at 96 per cent.; interest, 4½ per cent., payable annually; final redemption, 1805.

ISSUES.

Calendar year.	FIRST QUARTER.		SECOND QUARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Guilders.	Dollars.	Guilders.	Dollars.	Guilders.	Dollars.	Guilders.	Dollars.	Guilders.	Dollars.
1791							242,234 2 6	96,893 65	242,234 2 6	96,893 65
1792	1,499,141 10 6	599,656 61	808,624 7 0	123,449 74					1,807,765 17 6	723,106 35
Total									2,050,000 0 0	820,000 00

REDEMPTIONS.

1803			410,000 0 0	164,000 00			410,000 0 0	164,000 00	820,000 0 0	328,000 00
1804							410,000 0 0	164,000 00	410,000 0 0	164,000 00
1805							820,000 0 0	328,000 00	820,000 0 0	328,000 00
Total									2,050,000 0 0	820,000 00

The charges for negotiating this loan were fixed by contract at 4 per cent. on the principal.

HOLLAND LOAN OF DECEMBER, 1791.

The act of August 4, 1790 (1 Statutes, 139, section 2), authorized a loan of not exceeding $12,000,000, to be applied to paying, in whole or in part, the foreign debt of the United States. The rate of interest was not limited. No contract was to be made which should preclude the government from reimbursing the loan within fifteen years. act of August 12, 1790 (1 Statutes, 187, section 4), authorized a loan of not exceeding $2,000,000, at not ding 5 per cent. interest, to be applied to the purchase of the debt of the United States.

...ayable in annual installments from 1802; amount authorized, $14,000,000; ... cent.; interest, 4 per cent., payable annually; final redemption, 1807.

ISSUES.

...ARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
...s.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
...	...	...	...	509,000 00	203,600 00	509,000 00	203,600 00
...	120,000 00	52,000 00	20,800 00	...	...	2,491,000 00	996,400 00
...	...	...	...	...	...	3,000,000 00	1,200,000 00

REDEMPTIONS.

...	...	...	...	...	...	600,000 00	240,000 00
...	...	...	...	...	...	600,000 00	240,000 00
...	...	...	...	...	...	600,000 00	240,000 00
...	...	...	...	...	...	600,000 00	240,000 00
...	...	...	...	...	...	600,000 00	240,000 00
...	...	...	...	...	...	3,000,000 00	1,200,000 00

... were fixed by contract at 5½ per cent. on the principal.

HOLLAND LOAN OF 1792.

... Statutes, 139, section 2), authorized a loan of not exceeding $12,000,000, to be ... the foreign debt of the United States. The rate of interest was not limited ... and precludes the government from reimbursing the loan within fifteen years. ... Statutes, 187, section 4), authorized a loan of not exceeding $2,000,000, at not ... applied to the purchase of the debt of the United States.

... payable in annual installments from 1803 to 1807; amount authorized, ... sold at 96 per cent.; interest, 4 per cent., payable annually; final

ISSUES.

...ND QUARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
...	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
...	...56,400 00	1,041,000 00	416,400 00	133,000 00	53,200 00	2,640,000 00	1,056,000 00
...	19,200 00	...	...	...	...	310,000 00	124,000 00
...	...	...	...	...	...	2,950,000 00	1,180,000 00

REDEMPTIONS.

...	240,000 00	...	...	...	...	600,000 00	240,000 00
...	240,000 00	...	...	...	...	600,000 00	240,000 00
...	240,000 00	...	...	...	...	600,000 00	240,000 00
...	220,000 00	...	...	...	...	550,000 00	220,000 00
...	240,000 00	...	...	...	...	600,000 00	240,000 00
...	...	...	...	...	...	2,950,000 00	1,180,000 00

... were fixed by contract at 5 per cent. on the principal.

HOLLAND LOAN OF 1793.

... Statutes, 139, section 2), authorized a loan of not exceeding $12,000,000, to be ... the foreign debt of the United States. The rate of interest was not limited. ... and precludes the government from reimbursing the loan within fifteen years. ... Statutes, 187, section 4), authorized a loan of not exceeding $2,000,000, at not ... applied to the purchase of the debt of the United States.

... 1808; amount authorized, $14,000,000; amount issued, $400,000; sold at ... annually; final redemption, 1803.

ISSUES.

Calendar year.	FIRST QUARTER.		SECOND QUARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
1793			1,000,000 00	400,000 00					1,000,000 00	400,000 00
Total									1,000,000 00	400,000 00

REDEMPTIONS.

1803			1,000,000 00	400,000 00					1,000,000 00	400,000 00
Total									1,000,000 00	400,000 00

The charges for negotiating this loan were fixed by contract at 3½ per cent. on the principal.

HOLLAND LOAN OF 1794.

The act of August 4, 1790 (1 Statutes, 139, section 2), authorized a loan of not exceeding $12,000,000, to be applied to paying, in whole or in part, the foreign debt of the United States. The rate of interest was not limited. No contract was to be made which should preclude the government from reimbursing the loan within fifteen years. The act of August 12, 1790 (1 Statutes, 187, section 4), authorized a loan of not exceeding $2,000,000, at not exceeding 5 per cent. interest, to be applied to the purchase of the debt of the United States.

Length of loan, 11 to 16 years; payable in annual installments from 1805 to 1809; amount authorized, $14,000,000; amount issued, $1,200,000; sold at 96 per cent.; interest, 5 per cent., payable annually; final redemption, 1809.

ISSUES.

Calendar year.	FIRST QUARTER.		SECOND QUARTER.		THIRD QUARTER.		FOURTH QUARTER.		TOTAL.	
	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.	Florins.	Dollars.
1794					3,000,000 00	1,200,000 00			3,000,000 00	1,200,000 00
Total									3,000,000 00	1,200,000 00

REDEMPTIONS.

1805			600,000 00	240,000 00					600,000 00	240,000 00
1806			600,000 00	240,000 00					600,000 00	240,000 00
1807			600,000 00	240,000 00					600,000 00	240,000 00
1808			600,000 00	240,000 00					600,000 00	240,000 00
1809			600,000 00	240,000 00					600,000 00	240,000 00
Total									3,000,000 00	1,200,000 00

The charges for negotiating this loan were fixed by contract at 4 per cent. on the principal.

DEBT DUE FOREIGN OFFICERS.

The authority for the issue of these certificates is found in a resolution of Congress, dated January 22, 1784 (Journals of Congress, vol. iv, p. 330), based upon the report of a committee appointed, in response to an appeal from, and in behalf of, certain foreign officers, serving in the Continental army, during the Revolutionary War, authorizing the superintendent of finance to take order for paying these officers such sums, on account of their pay, as might be necessary to relieve their then present embarrassments, and enable those in America to return to their native country. The act of May 8, 1792 (1 Statutes, 282), authorized the redemption of these certificates.

Length of loan, indefinite; redeemable as per contract; amount authorized, indefinite; amount issued, $186,988 78; sold at par; interest, 6 per cent., payable annually; final redemption, 1828.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1784		$107,733 85	$20,919 74	$38,503 50	$167,1[illegible]
1785		3,076 06	12,686 23	3,227 91	18,[illegible]
Total					186

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1792				$14,885 76	$14,885 76
1793	$13,310 38	$7,944 19	$6,520 78	7,388 81	35,163 66
1794	6,486 89	17,276 08	15,967 17	1,634 53	41,364 67
1795			5,866 32	6,017 36	11,883 68
1796	8,140 44	4,992 18		6,240 13	19,372 75
1798	19,851 12		5,688 43		25,539 55
1802		7,994 92			7,994 92
1803		6,977 71		4,149 68	11,127 39
1805			6,409 63		6,409 63
1809		10,731 78			10,731 78
1828				2,514 99	2,514 99
Total					186,988 78

The principal and interest of these certificates were payable in Paris, at the house of Monsieur F. Grand, and it was so expressed upon their face.

TEMPORARY LOAN OF 1789.

This loan was made upon the authority of the Secretary of the Treasury. The money was obtained from the Bank of New York and the Bank of North America, to meet expenses incurred at the beginning of the present government of the United States. The secretary says (American State Papers, "Finance," vol. i, p. 38): "Obvious considerations dictate the propriety, in future cases, of making previous provision by law for such loans as the public exigencies may call for, defining their extent and giving special authority to make them."

Length of loan, temporary; redeemable as per contract; amount issued, $191,608 81; sold at par; interest, 6 per cent., payable as per contract; final redemption, June 8, 1790.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1789			$100,000 00	*$71,608 81	$171,608 81
1790	$20,000 00				20,000 00
Total					191,608 81

REDEMPTIONS.

1789				$100,540 00	$100,540 00
1790		$91,068 81			91,068 81
Total					191,608 81

* This includes an overcharge of $8 81 in the interest account.

By the terms of the contract with the Bank of New York these advances were repayable out of the first moneys which accrued, in the state of New York, from the duties on imports and tonnage. The same terms were made with the Bank of North America for repayment out of the first moneys which accrued, in the state of Pennsylvania, from a like source. This is believed to be the only loan ever negotiated by the Treasury Department without authority of law.

TEMPORARY LOAN OF 1790.

The act of March 26, 1790, section 7 (1 Statutes, 105), authorized the making of such loans as might be requisite to carry into effect the appropriations made by the preceding sections of the same act, and the revenues derived from duties on imports and tonnage were pledged for their repayment.

Length of loan, indefinite; redeemable as per contract; amount authorized, indefinite; amount issued, $55,000; sold at par; interest, 6 per cent., payable at maturity; final redemption, May 22, 1790.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1790	$30,000 00	$25,000 00			$55,000 00
Total					$55,000 00

REDEMPTIONS.

1790		$55,000 00			$55,000 00
Total					

The contract for this loan, providing for its repayment upon similar terms as the preceding loan from the Bank of New York, was approved by the President March 31, 1790.

SIX PER CENT., THREE PER CENT., AND DEFERRED SIX PER CENT. STOCKS OF 1790.

The act of August 4, 1790 (1 Statutes, 138), provided for funding the revolutionary or domestic debt. Section 3 directed that a loan to the full amount of the debt be proposed and that the subscriptions be payable in the certificates and indents of interest issued under the authority of the Continental Congress. Section 4 directed that for two-thirds of the amount subscribed and paid in the principal of the domestic debt, certificates be issued bearing 6 per cent. interest per annum, payable quarterly, the United States to have the right to redeem said certificates by payments not exceeding 8 per cent. in each year on account of both principal and interest. Section 13 proposed a loan of $21,500,000, subscriptions to be payable in the certificates or notes issued by the respective states. For two-thirds of any sum subscribed and paid in these certificates or notes, a certificate was to be issued purporting that the United States owe to the holder a sum equal to two-thirds of the aforesaid two-thirds, bearing 6 per cent. interest per annum, payable quarterly, and subject to redemption by payments not exceeding 8 per cent. per annum, principal and interest. (This stock is known as the "Six per cent. stock of 1790".)

Sections 4 and 15 of the same act directed that for one-third of the amount subscribed and paid in certificates issued under the authority of the Continental Congress, and for two-ninths of the amount subscribed and paid in certificates or notes issued by the several states, certificates of stock should be issued bearing interest at 6 per cent. after the year 1800, and subject to redemption by payment not exceeding in one year 8 per cent. on account of both principal and interest. (This stock is known as the "Deferred 6 per cent. stock of 1790".)

Sections 4 and 15 of the same act also directed that for one-third of the amount subscribed and paid in indents of interest issued by authority of the Continental Congress, or in certificates or notes issued by the several states, certificates should be issued bearing an interest of 3 per cent. per annum, payable quarterly, and subject to redemption whenever provision should be made by law for that purpose. (This stock is known as the "Three per cent. stock of 1790".) (See also page 111, *post*.)

Length of loan, indefinite; redeemable as provided for by law; amount authorized, indefinite; amount issued, $64,456,963.90; sold at par; interest, 3 and 6 per cent., as above; payable quarterly. Amount outstanding June 30, 1880, included under the title of "old debt".

ISSUES.

Calendar year.	Six per cent. stock.	Deferred 6 per cent. stock.	Three per cent. stock.	Total.
1791*	$14,177,450 43	$7,088,727 79	$10,531,303 00	$31,797,481 22
1792				
1793†	12,112,586 83	6,056,292 45	7,991,898 21	26,160,777 49
1794	2,756,693 36	1,378,345 21	961,639 47	5,096,678 04
1795	278,426 63	45,719 16	98,715 46	422,861 25
1796	93,433 65	46,717 13	47,915 57	188,066 35
1797	11,832 71	5,916 35	7,468 42	25,217 48
1798	40 56	20 28	12,824 29	12,885 13
1799	657,185 88	27,581 84	49,780 59	734,548 31
1800	5 20		7,616 73	7,621 93
1801			2,267 79	2,267 79
1802	168 45	8 55	4,639 79	4,816 79
1803			497 06	497 06
1804	574 05		273 63	847 68
1805			139 71	139 71
1806			93 09	93 09
1807			556 27	556 27
1808			29 07	29 07
1809			96 45	96 45
1812			82 55	82 55
1813			204 84	204 84
1815			3 36	3 36
1818			20 08	20 08
1819			304 68	304 68
1820			61 48	61 48
1821			26 01	26 01
1822			143 02	143 02
1823			132 39	132 39
1826			16 25	16 25
1828			1 75	1 75
1830			148 12	148 12
1831			228 64	228 64
1832			109 62	109 62
Total	30,088,397 75	14,649,328 76	19,719,237 39	64,456,963 90

*Issued to September 30, 1791. †Issued from October 1, 1791, to December 31, 1798.

REDEMPTIONS.

Calendar year.	Six per cent. stock.	Deferred 6 per cent. stock.	Three per cent. stock.	Total.
1791	$274,113 17	$252,649 72	$213,464 76	$740,227 65
1792	199,766 99	417,851 95	187,611 30	805,230 24
1793	264,131 43	137,280 96	72,324 04	473,736 43
1794	143,150 83	64,216 89	38,460 53	245,828 25
1795	833,136 25	58,754 39	97,322 22	989,212 86
1796	643,008 09	666 67	2,434 76	646,109 52
1797	643,238 87	1,424 51	3,218 86	647,882 24
1798	680,412 78	3,134 82	.....	683,547 60
1799	1,376,238 39	30,396 13	.....	1,406,634 52
1800	790,539 90	3,818 22	440 24	794,798 36
1801	819,992 08	275,498 14	5,088 90	1,100,579 12
1802	838,303 21	292,259 74	2,128 10	1,132,691 05
1803	911,854 64	309,040 03	96 64	1,220,991 31
1804	965,742 89	327,877 26	78 04	1,293,698 19
1805	1,032,948 03	356,343 75	47,177 36	1,436,469 14
1806	1,120,284 26	372,973 98	28,213 80	1,521,472 04
1807	2,551,033 87	1,039,314 96	911,764 71	4,502,113 54
1808	4,414,593 58	1,008,054 07	1,950,040 30	7,372,687 95
1809	928,735 22	376,647 06	.....	1,305,382 28
1810	1,011,638 97	400,563 93	.....	1,412,202 90
1811	1,074,203 05	424,951 05	.....	1,499,154 10
1812	1,994,367 79	2,077,207 25	.....	4,071,575 04
1813	1,137,102 10	622,069 88	.....	1,759,171 98
1814	1,069,687 00	405,905 28	.....	1,475,592 34
1815	1,135,320 98	430,802 18	.....	1,566,123 16
1816	1,204,864 25	457,259 93	.....	1,662,124 18
1817	1,231,533 75	467,896 91	2,693,092 54	4,392,523 20
1818	*770,568 94	765,036 97	10,532 65	1,546,738 56
1819	.....	705,811 24	158,964 92	864,776 16
1820	.....	503,135 36	46 89	503,182 25
1821	.....	533,808 47	.....	533,808 47
1822	.....	566,971 83	.....	566,971 83
1823	.....	601,558 97	.....	601,558 97
1824	.....	*343,603 05	.....	343,603 05
1832	.....	.....	13,296,735 83	13,296,735 83
	*30,060,511 37	*14,635,385 55	19,719,237 39	*64,415,134 31
1836 Repayments	.....	.....	56,159 53	56,159 53
			19,663,077 86	64,358,974 78
1837	.....	.....	21,096 29	21,096 29
1838	.....	.....	215 27	215 27
1839	.....	.....	229 90	229 90
1840	.....	.....	915 20	915 20
1841	.....	.....	893 83	893 83
1842	.....	.....	7 48	7 48
1843	.....	.....	113 34	113 34
1844	.....	.....	1,497 35	1,497 35
1845	.....	.....	6,976 32	6,976 32
1846	.....	.....	5,871 58	5,871 58
1847	.....	.....	1,075 19	1,075 19
1848	.....	.....	318 06	318 06
1849	.....	.....	38 51	38 51
1850	.....	.....	277 98	277 98
1851	.....	.....	1,091 72	1,091 72
1852	16 61	8 31	57 80	82 72
1853	.....	.....	1,239 95	1,239 95
1854	.....	.....	21 54	21 54
1858	.....	.....	190 63	190 63
1859	.....	.....	78 46	78 46
			19,705,284 26	*64,401,206 19
Outstanding June 30, 1880	*27,869 77	*13,934 90	13,953 13	55,757 80
Total	30,088,397 75	14,649,328 76	19,719,237 39	64,456,963 90

*See "Notes to Recapitulation"—C, post.

The 7th section of the act of May 8, 1792 (1 Statutes, 283), provided that the interest on so much of the debt of the United States as had been or should be purchased or redeemed, or paid into the treasury in satisfaction of any debt or demand, and the surplus of any sum appropriated for the payment of interest on the public debt, after the payment of such interest, should be appropriated for and to the purchase and redemption of the said debt, to be applied under the direction of the commissioners of the sinking fund: First, to the purchase of the several species of stock constituting the debt of the United States, at their respective market prices not exceeding par, and as nearly as might be in equal proportions, until the annual amount of the said funds, together with any other provisions made by law, should be equal to 2 per cent. of the whole amount of outstanding funded stock bearing a present interest of 6 per cent. Thenceforth, secondly, to the redemption of the said last-mentioned stock, according to the right for that purpose reserved to the United States, until the whole should be redeemed. And, lastly, after such redemption, to the purchase, at market price, of any other stock of the United States remaining unredeemed. All purchases to be made at the lowest price at which the same could be obtained, either by open purchase, or by receiving sealed proposals, to be opened in the presence of the commissioners, or persons authorized by them to make purchases, and the persons making such proposals.

The 8th section of the act of March 3, 1795 (1 Statutes, 434), provided that the following appropriations be made to the fund constituted by section 7 of the act of May 8, 1792, to be thereafter denominated "The Sinking Fund": First, so much of the duties on imports, tonnage, spirits distilled within the United States, and stills, as, together with the moneys constituting said fund, or accruing to it by virtue of provisions before made, and the interest upon each installment which should be reimbursed, would be sufficient yearly and every year, commencing January 1, 1796, to reimburse and pay so much as might rightfully be reimbursed and paid of the principal of that part of the debt which on the 1st of January, 1796, should bear an interest of 6 per cent. per annum, redeemable by payments on account both of principal and interest, not exceeding in one year 8 per cent. Second, the dividends from time to time declared on stock in the Bank of the United States belonging to the United States (deducting therefrom the sum requisite to pay the interest on any part remaining unpaid of the loan of $2,000,000 borrowed of the Bank of the United States under the authority of section 11 of the act of February 25, 1791). Third, so much of the duties on imports, tonnage, etc., as, with the said dividends after such deduction, would be sufficient, yearly and every year, to pay the remaining installments of the principal of said loan as they should become due, and as, together with any moneys which, by virtue of former acts, should on the 1st of January, 1802, belong to the sinking fund not otherwise specially appropriated, and with the interest on each installment or part of principal, which should from time to time be reimbursed or paid of that part of the debt which on the 1st of January, 1801, began to bear interest at 6 per cent. per annum would be sufficient yearly and every year, commencing January 1, 1802, to reimburse so much as might rightfully be reimbursed and paid of the said debt. Fourth, the net proceeds of the sales of lands belonging to the United States in the western territory. Fifth, all moneys which should be received into the treasury on account of debts due the United States by reason of any matter prior to their present constitution. And, lastly, all surplus revenues of the United States remaining at the end of any calendar year beyond the appropriations charged against them, and which during the session of Congress next thereafter should not be otherwise specially appropriated or reserved by law. The following is a statement of the amount of 6 per cent., deferred 6 per cent., and 3 per cent. stocks, transferred to the United States in payment for public lands, under the provisions of the acts of May 8, 1792, March 3, 1795, and March 3, 1797:

Year.	6 per cent.	Deferred 6 per cent.	3 per cent.	Total.
1795	$60,449 44	$30,224 72	$60,718 25	$151,392 41
1797	2,373 81	.....	2,599 21	4,973 02
1798	5,474 76	.....	.....	5,474 76
1799	2,158 15	.....	.....	2,158 15
1800	6,889 90	.....	.....	6,889 90
1801	14,145 78	3,061 90	5,068 90	22,316 58
1802	6,724 38	2,114 68	2,128 10	10,967 16
1803	4,443 25	859 72	96 64	5,399 61
1804	.....	111 82	78 04	189 86
1805	10,666 44	9,565 61	47,177 36	67,409 41
1806	11,151 74	5,185 02	28,213 80	44,550 56
1807	1,180 28	.....	453 96	1,634 24
1808	100 80	50 15	41 90	192 35
Total	125,758 28	51,193 62	146,596 16	323,548 01

SUBSCRIPTION LOAN OF 1791.

The act of February 25, 1791, section 11 (1 Statutes, 196), authorized the making of a subscription of $2,000,000 to the capital stock of the Bank of the United States, the same to be paid out of the money which should be borrowed by virtue of the act of August 4, 1790 (1 Statutes, 138), and the act of August 12, 1790 (1 Statutes, 186), and also authorized the borrowing from the bank of an equal sum to be applied to the purposes for which the said money was procured. The rate of interest was not limited, and the loan was made reimbursable in ten years, by equal annual installments, or sooner or in greater proportions, as the government might think proper.

Length of loan, indefinite; redeemable in ten years by equal annual installments; amount authorized, $2,000,000; amount issued, $2,000,000; sold at par; interest, 6 per cent., payable semi-annually; final redemption, December 31, 1801.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1792	.....	$1,000,000 00	$1,000,000 00	.....	$2,000,000 00
Total	.....	.....	.....	.....	2,000,000 00

REDEMPTIONS.

1793	.....	.....	$200,000 00	.....	$200,000 00
1794	.....	$200,000 00	.....	.....	200,000 00
1795	.....	200,000 00	.....	.....	200,000 00
1796	.....	.....	.....	$400,000 00	400,000 00
1797	.....	.....	.....	200,000 00	200,000 00
1798	.....	.....	.....	200,000 00	200,000 00
1799	.....	.....	.....	200,000 00	200,000 00
1800	.....	.....	.....	200,000 00	200,000 00
1801	.....	.....	.....	200,000 00	200,000 00
Total	.....	.....	.....	.....	2,000,000 00

For a copy of the contract for this loan see American State Papers, "Finance," vol. i, p. 278. The interest on $1,000,000 commenced December 20, 1791, and upon the remaining $1,000,000 July 1, 1792.

TEMPORARY LOAN FROM BANK OF NORTH AMERICA.

The act of March 3, 1791, section 16 (1 Statutes, 224), authorized the making of a loan of $312,686 20, or such portion thereof as should be necessary to satisfy the appropriations made by the same act, for defraying the expenses of certain military forces in the service of the United States. The rate of interest was not to exceed 6 per cent. per annum, and the reimbursement was charged to moneys which, prior to January 1, 1792, should accrue from certain specified duties, and the faith of the United States was pledged to make good any deficiency.

Length of loan, indefinite; redeemable as per contract; amount authorized, $312,686 20; amount issued, $156,595 56; sold at par; interest, none; final redemption, December 21, 1793.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1792	.....	.....	.....	$156,595 56	$156,595 56
Total	.....	.....	.....	.....	156,595 56

REDEMPTIONS.

1793	.....	.....	.....	$156,595 56	$156,595 56
Total	.....	.....	.....	.....	156,595 56

This loan was made without interest, in consideration of the advantages gained by the bank in having a large amount of bills of exchange on Amsterdam remaining on deposit.

TEMPORARY LOAN OF 1792.

The act of May 2, 1792, section 16 (1 Statutes, 262), authorized the making of a loan of $523,500, the reimbursement of which was charged to the surplus of duties imposed by the same act. The rate of interest was to exceed 5 per cent. per annum, and the principal was made reimbursable at the pleasure of the government. moneys derived from this loan to be applied towards carrying into execution the act entitled "An act f further and more effectual provision for the protection of the frontiers of the United States" (1 Statute

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $523,500; amount issued, $400,000; sold at par; interest, 5 per cent., payable semi-annually; final redemption, December 31, 1796.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1792		$200,000 00	$200,000 00		$400,000 00
Total					400,000 00

REDEMPTIONS.

1793				$100,000 00	$100,000 00
1796			$120,000 00	180,000 00	300,000 00
Total					400,000 00

The interest accruing to January 1, 1793, was made payable on that day, and thenceforth July 1 and January 1 of each year.

TEMPORARY LOAN OF 1793.

The act of February 28, 1793, section 3 (1 Statutes, 328), authorized the making of a loan of $800,000 for defraying the expenses of certain appropriations made by the same act. The reimbursement was charged to the surplus of the duties on imports and tonnage to the end of the year 1793. The rate of interest was not to exceed 5 per cent. per annum, and the loan was made reimbursable at the pleasure of the government.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $800,000; amount issued, $800,000; sold at par; interest, 5 per cent., payable semi-annually; final redemption, June 11, 1794.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1793		$200,000 00	$200,000 00	$200,000 00	$600,000 00
1794		200,000 00			200,000 00
Total					800,000 00

REDEMPTIONS.

1793				$400,000 00	$400,000 00
1794	$200,000 00	$200,000 00			400,000 00
Total					800,000 00

The interest on this loan commenced June 1, 1793. A copy of the contract is on file at the Department of State.

TEMPORARY LOAN FROM BANK OF NEW YORK.

The act of March 20, 1794, chapter vii (1 Statutes, 345), authorized the making of a loan, to be applied to satisfying any deficiencies in moneys appropriated by the same act, to the extent of $1,000,000, for the purpose of defraying any expenses incurred in the intercourse between the United States and foreign nations; an account of the expenditure whereof, as soon as might be, was to be laid before Congress.

Length of loan, indefinite; redeemable as per contract; amount authorized, $1,000,000; amount issued, $200,000; sold at par; interest, 5 per cent., payable semi-annually; final redemption, October 29, 1796.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1794				$200,000 00	$200,000 00
Total					200,000 00

REDEMPTIONS.

1796				$200,000 00	$200,000 00
Total					200,000 00

nterest on this loan commenced October 8, 1794.

B

TEMPORARY LOAN OF MARCH, 1794.

The act of March 20, 1794, chapter viii (1 Statutes, 345), authorized the making of a loan of $1,000,000, to be applied to such public purposes as were authorized by law. The reimbursement was charged to the revenues from duties on imports and tonnage to the end of the year 1794. The rate of interest was not to exceed 5 per cent. per annum, and the loan was made reimbursable at the pleasure of the government.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $1,000,000; amount issued, $1,000,000; sold at par; interest, 5 per cent., payable semi-annually; final redemption, January 1, 1795.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1794		$800,000 00	$200,000 00		$1,000,000 00
Total					1,000,000 00

REDEMPTIONS.

1794				$600,000 00	$600,000 00
1795	$400,000 00				400,000 00
Total					1,000,000 00

This loan commenced to bear interest as follows: April 1, on $400,000; May 1, on $200,000; June 1, on $200,000; and July 1, 1794, on $200,000.

TEMPORARY LOAN OF JUNE, 1794.

The act of June 9, 1794, section 2 (1 Statutes, 395), authorized the making of a loan of $1,000,000, to be applied to public purposes specified in said act. The payment of interest and reimbursement was charged to revenues to be provided during that session of Congress.

Length of loan, indefinite; redeemable within one year; amount authorized, $1,000,000; amount issued, $1,000,000; sold at par; interest, 5 per cent., payable semi-annually; final redemption, April 1, 1795.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1794			$200,000 00	$800,000 00	$1,000,000 00
Total					1,000,000 00

REDEMPTIONS.

1795		$1,000,000 00			$1,000,000 00
Total					1,000,000 00

The interest on this loan commenced July 1, 1794.

TEMPORARY LOAN OF DECEMBER, 1794.

The act of December 18, 1794, section 1 (1 Statutes, 404), authorized the making of a loan of $2,000,000, the same to be applied to such public purposes as were authorized by law. The reimbursement was charged to the revenues from duties on imports and tonnage to the end of the year 1795. The rate of interest was not to exceed 5 per cent. per annum, and the loan was made reimbursable at the pleasure of the government.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $2,000,000; amount issued, $2,000,000, sold at par; interest, 5 per cent., payable semi-annually; final redemption, September [illegible], 1795.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]				$1,000,000 00	$1,000,000 00
[illegible]		$1,000,000 00			1,000,000 00
Total					$

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1796				$300,000 00	$300,000 00
1797		$30,000 00		270,000 00	300,000 00
1801			$250,000 00		250,000 00
1802		650,000 00			650,000 00
1803				250,000 00	250,000 00
1804				125,000 00	125,000 00
1805			125,000 00		125,000 00
Total					2,000,000 00

The time for the redemption of this loan was extended by mutual agreement. Interest commenced, on $1,000,000, January 1, and on the remaining $1,000,000, April 1, 1795.

TEMPORARY LOAN OF FEBRUARY, 1795.

The act of February 21, 1795 (1 Statutes, 418), authorized the making of a loan of $800,000, to be applied to the purposes set forth in two acts entitled: "An act making further provisions for the expenses attending the intercourse of the United States with foreign nations" (1 Statutes, 345) and "An act providing the means of intercourse between the United States and foreign nations" (1 Statutes, 128). The reimbursement was charged upon the revenues of certain duties specified in this act.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $800,000; amount issued, $800,000; sold at par; interest, 6 per cent., payable quarterly; final redemption, October 17, 1803.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1795	$800,000 00				$800,000 00
Total					800,000 00

REDEMPTIONS.

1796				$200,000 00	$200,000 00
1797				200,000 00	200,000 00
1801			$250,000 00		250,000 00
1803				150,000 00	150,000 00
Total					800,000 00

The interest on this loan commenced January 1, 1795.

TEMPORARY LOAN OF MARCH, 1795, *A*.

The act of March 3, 1795, section 1 (1 Statutes, 433), authorized the making of discretionary loans by the commissioners of the sinking fund, with the approval of the President, not exceeding in one year $1,000,000, to be applied to the payment of interest on the public debt. The reimbursement was charged to sundry revenues from duties specified, of which these loans were hypothecations. The interest was not to exceed 6 per cent. per annum, and each loan was to be reimbursed within one year from its date. By section 4, the interest and principal of these loans were payable at the United States treasury alone.

Length of loan, 1 year; redeemable January 1, 1797, or sooner, by giving one month's notice; amount authorized, $1,000,000; amount issued, $500,000; sold at par; interest, 6 per cent., payable semi-annually; final redemption, September 27, 1805.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1795				$500,000 00	$500 000 00
Total					500,000 00

REDEMPTIONS.

1804				$125,000 00	$125,000 00
1805			$375,000 00		375,000 00
Total					500,000 00

time for the redemption of this loan was extended by mutual agreement. For copy of the contract see State Papers, "Finance," vol. ii, p. 372. Interest commenced January 1, 1796.

TEMPORARY LOAN OF MARCH, 1795, *B.*

[illegible] of March 3, 1795, section 6 (1 Statutes, 439), authorized the making of a loan of $1,469,439 29, to be [illegible] the liquidation of certain appropriations made by the act. The reimbursement was charged to specific [illegible] named in section 5. The rate of interest and the time of reimbursement were not specified.

[illegible] of loan, 1 year; redeemable as per contract; amount authorized, $1,469,439 29; amount issued, $500,000; [illegible] interest, 6 per cent., payable semi-annually; final redemption, June 30, 1802.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]		$500,000 00			$500,000 00
[illegible]					500,000 00

REDEMPTIONS.

[illegible]		$30,000 00		$230,000 00	$260,000 00
[illegible]		240,000 00			240,000 00
[illegible]					500,000 00

The interest on this loan commenced April 1, 1795.

TEMPORARY LOAN OF MARCH, 1795, *C.*

[illegible] of March 3, 1795, section 6 (1 Statutes, 439), authorized the making of a loan of $1,469,439 29, to be [illegible] the liquidation of certain appropriations made by the act. The reimbursement was charged to specific [illegible] named in section 5. The rate of interest and the time of reimbursement were not specified.

[illegible] of loan, 1 year; redeemable as per contract; amount authorized, $1,469,439 29; amount issued, $500,000; [illegible] interest, 6 per cent., payable semi-annually; final redemption, October 17, 1803.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]			$500,000 00		$500,000 00
[illegible]					500,000 00

REDEMPTIONS.

[illegible]		$400,000 00			$400,000 00
[illegible]				$100,000 00	100,000 00
[illegible]					500,000 00

[illegible] this loan commenced October 1, 1795.

FIVE AND ONE-HALF PER CENT. STOCK OF 1795.

[illegible] March 3, 1795, section 2 (1 Statutes, 433), authorized the opening of a loan to the full amount of the [illegible] which it was exchangeable and which it was intended to replace. The interest was fixed at a rate [illegible] in excess of the rate already borne by such debt, to commence on the 1st day of January next [illegible] subscription. The interest and reimbursement were charged to certain revenues from duties [illegible] and the loan made reimbursable at the pleasure of the government.

[illegible] redeemable at the pleasure of the government; amount authorized, total of foreign [illegible] $4,018,000; sold at par; interest, 5½ per cent., payable quarterly; final redemption, March 31,

ISSUES.

[illegible] year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]		$1,848,900 00			$1,848,900 00
[illegible]					1,848,900 00

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1797		*$1,400 00			$1,400 00
1807	$690,300 00	99,400 00	$2,500 00		792,200 00
1808	971,900 00		10,500 00	$5,000 00	987,400 00
1809		1,900 00			1,900 00
1810			54,000 00		54,000 00
1812		3,000 00	6,000 00	2,000 00	11,000 00
1815	1,000 00				1,000 00
Total					1,848,900 00

*This amount was transferred to the government, in payment for public lands, April 1, 1797.

This stock having been issued for the purpose of paying off the balance due on the French loans of eighteen and six million livres, no money ever came into the treasury on this account, and the money for completing its redemption was provided from the general funds in the treasury, and advanced to the commissioners of the sinking fund in 1806. For this reason, a statement of the public debt, made up from the receipts and expenditures, cannot be correct, unless the amount issued on account of this stock is added to the receipt side, and a like course pursued with regard to all stocks of a similar character. This stock commenced to bear interest January 1, 1796.

FOUR AND ONE-HALF PER CENT. STOCK OF 1795.

The act of March 3, 1795, section 2 (1 Statutes, 433), authorized the opening of a loan to the full amount of the foreign debt, for which it was exchangeable and which it was intended to replace. The interest was fixed at a rate of one-half per cent. in excess of the rate already borne by such debt, to commence on the 1st day of January next succeeding each subscription. The interest and reimbursement were charged to certain revenues from duties specified in the act, and the loan made reimbursable at the pleasure of the government.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, total of foreign debt; amount issued, $176,000; sold at par; interest, 4½ per cent., payable quarterly; final redemption, September 30, 1808.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1795		$176,000 00			$176,000 00
Total					176,000 00

REDEMPTIONS.

1807				$175,000 00	$175,000 00
1808			$1,000 00		1,000 00
Total					176,000 00

This stock having been issued for the purpose of paying off the balance due on the French loan of ten million livres, no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury, and advanced to the commissioners of the sinking fund in September, 1807. This stock commenced to bear interest January 1, 1796.

TEMPORARY LOAN FROM BANK OF NEW YORK.

The act of May 31, 1796 (1 Statutes, 488), authorized "the commissioners of the sinking fund, with the approbation of the President of the United States, to borrow or cause to be borrowed, on the credit of the United States, any sum not exceeding five million of dollars, to be applied to the payment of the capital or principal of any parts of the public debt now due or to become due during the course of the present year, to the Bank of the United States, or to the Bank of New York, or for any installment of foreign debt".

Length of loan, one year; redeemable, as per contract; amount authorized, $5,000,000; amount issued, $320,000; sold at par; interest, 6 per cent., payable semi-annually; final redemption, November 14, 1797.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]			$120,000 00	$200,000 00	$320,000 0
Total					320,000 0

1796	[illegible]	[illegible]	Third quarter.	Fourth quarter.	Total.
		$250,000 00		$70,000 00	$320,000 00
Total					320,000 00

The interest on this [illegible] commenced [illegible] 1796.

[illegible] PER CENT. STOCK OF 1798.

The act of March 3, 1797 [illegible] the commissioners of the sinking fund, with the approval of the President, to [illegible] the [illegible] payment of the installments of the principal of the public debt as provided for [illegible] The [illegible] to be charged to certain revenues from duties specified. The interest was [illegible] per annum, and the loans made reimbursable at the pleasure of the government.

Length of loan, 4 years; redeemable [illegible]; amount authorized, $1,000,000; amount issued, $200,000; sold at par; interest, 6 per cent., payable semi-annually; date of [illegible] final redemption, September 27, 1805.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1798	[illegible]	[illegible]	[illegible]	$200,000 00	$200,000 00
Total	[illegible]	[illegible]	[illegible]	[illegible]	200,000 00

REDEMPTIONS.

1805	[illegible]	[illegible]	[illegible]	$200,000 00	$200,000 00
Total	[illegible]	[illegible]	[illegible]	[illegible]	200,000 00

For a copy of the contract for this loan see American State Papers, vol. i, p. 373. The interest commenced January 1, 1799.

SIX PER CENT. STOCK OF 1796.

The act of May 31, 1796 (1 Statutes, 488) authorized a loan of $5,000,000, to be applied to the payment of the principal of the public debt. The reimbursement was charged to certain specified revenues. The rate of interest was fixed at 6 per cent., payable quarterly, and the loan made reimbursable at the pleasure of the government after December 31, 1819. Credits in the same manner as for the domestic funded debt were authorized, with the issue of scrip certificates. A proviso was inserted regulating the price of the stock, forbidding the sale of but one moiety below par.

Length of loan, 23 years; redeemable after December 31, 1819; amount authorized, $5,000,000; amount issued, $80,000; sold at 87½ per cent.; interest, 6 per cent., payable quarterly; final redemption, July 2, 1822.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1796	[illegible]	[illegible]	[illegible]	$70,000 00	$70,000 00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10,000 00
Total	[illegible]	[illegible]	[illegible]	[illegible]	80,000 00

REDEMPTIONS.

[illegible]	[illegible]	[illegible]	[illegible]	$80,000 00	$80,000 00
Total	[illegible]	[illegible]	[illegible]	[illegible]	80,000 00

[illegible] through the agency of the Bank of New York to the New York Insurance Company, March 1, 1797, at seventeen shillings and sixpence [illegible] payable in cash, the other half in sixty days, (see American State Papers, "Finance," vol. i, p. 502).

NAVY SIX PER CENT. STOCK.

[illegible] June 10, 1798 (1 Statutes, 575), authorized the President of the United States to accept, on behalf [illegible] from any person or persons who should offer and undertake to complete, provide, and deliver [illegible] and upon the credit of the United States, a certain number of vessels, not exceeding twelve [illegible] already authorized, then building or to be built within the United States; and he was further [illegible] proper certificates of indebtedness so incurred to be made and given at the Treasury [illegible] rate of interest was not to exceed 6 per cent., and the stock was made reimbursable at the will

Length of loan, indefinite; redeemable at the will of Congress; amount authorized, limited to cost of certain vessels; amount issued, $711,700; sold at par; interest, 6 per cent., payable quarterly; outstanding June 30, 1880, $100.*

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1798			$30,000 00		$30,000 00
1799		$79,200 00			79,200 00
1800		197,100 00		$174,100 00	371,200 00
1801	$94,700 00		136,600 00		231,300 00
Total					711,700 00

REDEMPTIONS.

1806				$582,400 00	$582,400 00
1807	$33,100 00	$7,400 00	$4,100 00	100 00	44,700 00
1808	300 00	80,500 00	100 00		80,900 00
1809			300 00		300 00
1810	300 00	2,000 00		100 00	2,400 00
1812			300 00		300 00
1813	100 00				100 00
1817		300 00			300 00
1852	200 00				200 00
					711,600 00
Outstanding June 30, 1880*					100 00
Total					711,700 00

*Included in the public debt statement, under the title of "Old debt".

This stock having been issued in payment for sundry vessels built for naval purposes, no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury, and advanced to the commissioners of the sinking fund in 1806.

EIGHT PER CENT. LOAN OF 1798.*

The act of July 16, 1798 (1 Statutes, 607), authorized the making of a loan of $5,000,000, to be applied to making good deficiencies in appropriations made during that session of Congress, and defraying expenses incurred by calling into service the military forces of the United States. It was provided that no engagement or contract should be entered into which would preclude its reimbursement at any time after fifteen years from the date of the loan. The payment of interest and reimbursement of the principal were charged to the surplusage of certain duties on imports and tonnage, and the faith of the United States was pledged to make good any deficiency.

Length of loan, 15 years; redeemable after 15 years; amount authorized, $5,000,000; amount issued, $5,000,000; sold at par; interest 8 per cent., payable quarterly.

ISSUES.*

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1799	$612,712 50	$1,882,837 50	$1,494,537 50	$1,009,912 50	$5,000,000 00
Total					5,000,000 00

*For redemption of this loan, see "Eight per cent. loan of 1800".

EIGHT PER CENT. LOAN OF 1800.

The act of May 7, 1800 (2 Statutes, 60), authorized the making of a loan of $3,500,000, to be applied to making good deficiencies in appropriations made during that session of Congress, and defraying expenses incurred by calling into service the military forces of the United States. It was provided that no engagement or contract should be entered into which would preclude its reimbursement at any time after fifteen years from the date of the loan. The payment of interest and reimbursement of the principal were charged to the surplusage of certain duties on imports and tonnage, and the faith of the United States was pledged to make good any deficiency.

Length of loan, 15 years; redeemable after 15 years; amount authorized, $3,500,000; amount issued, $1,481,700; sold at an average premium of nearly 5¾ per cent.; interest, 8 per cent.; payable quarterly; outstanding June 30, 1880, $500.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]			$1,481,700 00		$1,481,700
Total					1,481,700

REDEMPTIONS OF EIGHT PER CENT. LOANS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1801				$1,500 00	*$1,500 00
1802	$800 00	$1,600 00	$1,800 00	200 00	*4,400 00
1803				1,300 00	*1,300 00
1804	900 00		6,700 00	4,600 00	*12,200 00
1805		900 00	11,400 00	19,200 00	*31,500 00
1806	28,300 00	10,100 00	2,300 00	27,700 00	*68,400 00
1807	*3,600 00	180,400 00	565,600 00	126,700 00	876,300 00
1808	165,100 00	18,000 00	1,100 00		184,200 00
1809	4,515,800 00	244,900 00	64,500 00	26,500 00	4,851,700 00
1810	74,700 00	21,600 00	10,500 00	31,900 00	138,700 00
1811	12,600 00	1,000 00	6,800 00	268,900 00	289,300 00
1812	2,000 00	4,400 00	1,800 00	400 00	8,600 00
1816	700 00	9,600 00			10,300 00
1817		†200 00			200 00
1824		‡3,500 00			3,500 00
1835		100 00			100 00
					6,482,200 00
Outstanding June 30, 1880					500 00
Total					6,482,700 00

*These amounts were transferred to the government in payment for public lands.
†Unsettled account in Pennsylvania loan office.
‡Unsettled account in Bank of Columbia, District of Columbia.

The redemption accounts of the eight per cent. loans of 1798 and 1800, authorized by the acts above referred to, have been merged in this statement on account of the loss of a portion of the earlier records relating to their redemption as separate loans. Proposals for the eight per cent. loan of 1798 were invited January 12, 1799 (New York Commercial Advertiser, January 19, 1799). In 1807 the commissioners of the sinking fund purchased $866,700 of these stocks at various rates from 101¾ to 103¼, the premium amounting to $23,820 75. In 1808 they purchased $190,000, at rates ranging from 101 to 102¼, the premium amounting to $3,100 75. On these purchases they allowed a broker's commission of one-fourth of one per cent., amounting to $2,641 75. Included in the above statement for the year 1808 is the sum of $200, redeemed on bonds of indemnity in this amount for certificates lost before being funded. The redemption of these certificates was authorized by act of March 11, 1808 (6 Statutes, 71), and in the Receipts and Expenditures for that year the transaction is erroneously reported as an expenditure on account of "Miscellaneous claims" (Receipts and Expenditures, 1808, pp. 56, 57).

The $1,000 excess of redemptions is accounted for by the fraudulent overissue of this amount in the eight per cent. loan of 1798, for a full explanation of which see remarks on this loan in Part I. In 1836 the sum of $500 was repaid into the treasury by the New York loan office, on account of moneys advanced for the redemption of this stock, and this amount still remains as outstanding, being included in the public debt statement under the title of "Old debt."

LOUISIANA SIX PER CENT. STOCK.

The act of November 10, 1803 (2 Statutes, 245), authorized the issue of certificates of stock to the amount of $11,250,000, the same to be paid over to the French government, in conformity with the provisions of the treaty of April 30, 1803, by which Louisiana was ceded to the United States. The reimbursement of the principal and payment of the interest were charged upon the commissioners of the sinking fund. No special revenues were appropriated or charged for the reimbursement. The stock was made reimbursable in four equal annual installments, and the rate of interest fixed at 6 per cent. per annum. The certificates of stock were made transferable only on the books of the Treasury Department.

Length of loan, 15 years; redeemable, in four equal annual installments, in 1818, '19, '20, '21; amount authorized, $11,250,000; amount issued, $11,250,000; sold at par; interest, 6 per cent., payable quarterly; final redemption, October 23, 1823.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1804	$11,250,000 00				$11,250,000 00
Total					11,250,000 00

REDEMPTIONS.

1812			$133,500 00	$84,700 00	$218,200 00
1813	$108,300 00				108,300 00
1817		$14,800 00	617,000 00		631,800 00
1818	178,500 00	157,300 00		4,573,775 00	4,909,575 00
1819	144,800 00	21,675 00	189,970 08	1,114,613 64	1,471,058 72
1820	190,015 50	631,098 00	384,320 00	564,840 28	1,771,173 78
1821	60,720 50	2,071,152 00		230 00	2,132,102 50
1822			5,290 00		5,290 00
1823				2,500 00	2,500 00
Total					11,250,000 00

This stock having been issued to the French government, in part payment for Louisiana, no money was ever received into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury.

In 1812 the commissioners of the sinking fund purchased $179,300 of this stock, at rates varying from 96¾ to 99¾ per cent., the discount amounting to $3,326. In 1813 they purchased $147,200, at from 99¼ to 99½ per cent., the discount amounting to $1,196. In 1817 they purchased $631,800, at from 99¼ per cent. to par, the discount amounting to $37 50. In 1818 they purhased $335,800, at from 97 per cent. to par, the discount amounting to $3,697 50. A broker's commission of one-fourth of one per cent. was allowed on these purchases.

EXCHANGED SIX PER CENT. STOCK OF 1807.

The act of February 11, 1807, section 2 (2 Statutes, 415), authorized the creation of a stock equal to the unredeemed amount of old 6 per cent. and deferred stocks, for which it was exchangeable. The rate of interest was fixed at 6 per cent. per annum, payable quarterly, and the stock made reimbursable, at the pleasure of the government, after six months' previous public notice. The payments of interest and reimbursement were charged upon the funds already pledged for the payment of the old 6 per cent. and deferred stocks.

Length of loan, indefinite; redeemable, after six months' public notice; amount authorized, equal to unredeemed old 6 per cent. and deferred stocks; amount issued, $6,294,051 12; sold at par; interest, 6 per cent., payable quarterly.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1807			$1,330,471 27	$796,355 46	$2,126,826 73
1808	$4,167,224 39				4,167,224 39
Total					6,294,051 12

REDEMPTIONS.

1807			$266,611 22	*$34,096 40	$300,707 62
1809				1,041,526 57	1,041,526 57
1810	$1,065,275 21	$70,783 71	11,149 95	4,148 09	1,151,356 96
1811	3,532,714 99	77,229 58	151,632 43	13,341 00	3,774,918 00
1812	15,021 80		61	689 82	15,712 23
1813	1,835 11				1,835 11
1814			1,998 67		1,998 67
1815			357 05		357 05
1816	526 01		1,499 01		2,025 02
1818			48 75		48 75
1824		†3,565 14			3,565 14
Total					6,294,051 12

*Of this amount $700 was transferred to the government in payment for public lands.

† This balance was transferred to the Bank of Columbia, District of Columbia, acting as loan agents, May 14, 1824 (see Aux. Ledger, p. 558).

This stock having been issued in exchange for the unredeemed portion of the "6 per cent. stock of 1790" of the nominal amount of $7,435,767 61, and the unredeemed portion of "deferred 6 per cent. stock" of the nominal amount of $1,940,672 01, no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury. In 1807 the commissioners of the sinking fund purchased $300,007 62 of this stock, at rates varying from 96 to 99 per cent., the discount amounting to $6,553 40, on which they allowed a broker's commission of one-fourth of one per cent.

CONVERTED SIX PER CENT. STOCK OF 1807.

The act of February 11, 1807, section 3 (2 Statutes, 416), authorized the creation of a stock equal to the unredeemed amount of 3 per cent. stock, for which it was convertible, at 65 per cent. of said stock so converted. The rate of interest was fixed at 6 per cent. per annum, payable quarterly, and the stock made reimbursable, at the pleasure of the government, after six months' previous public notice. The payments of interest and reimbursement were charged upon the funds already pledged for the payment of the 3 per cent. stock.

Length of loan, indefinite; redeemable, at pleasure of the government; amount authorized, equal to unredeemed 3 per cent. stock; amount issued, $1,859,850 70; converted at 65 per cent.; interest, 6 per cent., payable quarterly; final redemption, May 5, 1829.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1807			$314,782 27	$277,569 61	$592,351 8
	$1,267,498 82				1,267,498
al					1,859,850

	Fourth quarter.	Total.
	[illegible]	$4,801,800 00
	[illegible]	82,800 00
	[illegible]	12,200 00
	[illegible]	12,100 00
	[illegible]	900 00
	[illegible]	100 00
	[illegible]	100 00
	[illegible]	5,000,000 00

[illegible] amount of the old 6 per cent. [illegible] redeemed amount of the principal of such [illegible] from the first day of the [illegible] after December 31, 1824, [illegible] to any proprietor, and after [illegible]. The payment of interest and reimbursement [illegible].

[illegible] December 1, 1824, amount authorized, the full amount of old 6 per cent. [illegible] stock issued, $2,184,726 72; rate of interest, 6 per cent., payable quarterly; [illegible]

ISSUES.

[illegible] year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]	[illegible]	[illegible]	[illegible]	$2,745,120 58	$2,745,120 58
[illegible]	220,526 14	[illegible]	[illegible]	[illegible]	239,626 14
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,984,746 72

REDEMPTIONS.

[illegible]	[illegible]	[illegible]	$315,637 73	[illegible]	$315,637 73
[illegible]	[illegible]	[illegible]	124 00	[illegible]	124 00
[illegible]	$2,491,24 [illegible]	21,725 [illegible]	1,714 26	$35,273 56	2,652,137 96
[illegible]	[illegible]	[illegible]	[illegible]	4,913 97	15,359 96
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,477 08
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,984,746 72

This stock having been issued in exchange for the unredeemed portion of the 6 per cent. stock of 1790 of the nominal amount of $3,455,731 81, and the unredeemed portion of deferred 6 per cent. stock of the nominal amount of $[illegible] 08, no money ever came into the treasury on this account, and the money for its redemption was received from the general funds in the treasury. In 1817 the commissioners of the sinking fund purchased $[illegible] of this stock at rates varying from 99 per cent. to par, the discount amounting to $1,050.

SIXTEEN MILLION LOAN OF 1813.

The act of February 8, 1813 (2 Statutes, 798), authorized the making of a loan of $16,000,000, to be applied to [illegible] any public expenses authorized by law for which appropriations were made. It was provided that no [illegible] of contract should be entered into which would preclude its reimbursement after January 1, 1826. A [illegible] of one fourth of one per cent. was allowed to agents. The payment of interest and reimbursement [illegible] principal were charged to the sinking fund, and the faith of the United States pledged to establish sufficient [illegible] to make good any deficiency.

[illegible] loan, 14 years; redeemable after January 1, 1826; amount authorized, $16,000,000; amount issued, [illegible]; sold at 88 per cent.; interest, 6 per cent., payable quarterly; outstanding June 30, 1880, $46 39.

ISSUES.

[illegible] year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]	$1,086,737 50	$10,265,275 00	$3,136,112 50	$1,511,875 00	$16,000,000 00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,168,877 62
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18,168,877 62

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1817		$6,160 94	$2,580,943 68		$2,587,104 62
1819			1,136 36		1,136 36
1822				$23,317 82	23,317 82
1824				2,647,301 51	2,647,301 51
1825	$447,465 46				447,465 46
1826	1,148,854 20				1,148,854 20
1827	1,843,431 68	119,766 11	4,807,781 44	159,858 98	6,930,838 21
1828	1,421,830 33	23,198 07	2,432,490 57	113,617 98	3,991,136 95
1829	25,456 97	13,525 01	3,310 00	1,000 00	43,291 98
1830		1,727 26		28,780 83	30,508 09
1833	479 58		6,681 81		7,161 39
1833				387 13	387 13
1834		1,200 00	244,127 32		245,327 32
1840	5,500 00				5,500 00
					18,109,331 04
Outstanding June 30, 1880*					46 39
Total					18,109,377 43

* Included in the public debt statement, under the title of "Old debt".

Proposals for this loan were invited February 20, 1813; a commission of one-fourth of one per cent. was allowed on subscriptions amounting to $100,000 (American State Papers, "Finance," vol. ii, p. 625). In 1817 the commissioners of the sinking fund purchased $2,580,943 68 of this stock at par, and $6,160 94 at a discount of $61 61. In 1819 they purchased $1,133 36 at par. The brokerage on these purchases amounted to $18 09. The amount redeemed in 1822 was exchanged for 5 per cent. stock issued under the act of April 20, 1822. The amount redeemed in 1824 and 1825 was exchanged for 4½ per cent. stock issued under the act of May 26, 1824. The amount redeemed in 1826 was exchanged for 4½ per cent. stock issued under the act of March 3, 1825. The interest on $2,740,423 91 ceased July 1, 1828, public notice having been given by the Secretary of the Treasury, on the 15th of April preceding, of his readiness to redeem this sum at that date. A difference of $2 73 in the amount of stock issued, from the true sum calculated at 88 per cent., was caused by slight variations in the certificates of stock in small amounts issued at different offices.

TREASURY NOTES OF 1813.

The act of February 25, 1813 (2 Statutes, 801), authorized the issue of treasury notes, not to exceed $5,000,000, to be applied in payment for supplies, or debts due by the United States, or for the purpose of borrowing money. The rate of interest was fixed at 5⅔ per cent., and the notes made reimbursable one year from date of issue. The notes were made transferable by delivery and assignment, and were receivable in payment of all duties and taxes laid by the United States, and for public lands sold by the same authority. A commission of one-fourth of one per cent. was allowed to agents. The reimbursement of the principal and payment of interest were charged upon the sinking fund.

Length of loan, 1 year; redeemable 1 year from date; amount authorized, $5,000,000; amount issued, $5,000,000; sold at par; interest, 5⅔ per cent., payable on redemption.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1813	$32,000 00	$221,000 00		$3,677,000 00	$3,930,000 00
1814	1,070,000 00				1,070,000 00
Total					5,000,000 00

REDEMPTIONS.

1814		$200,000 00		$746,900 00	$946,900 00
1815	$537,000 00		$643,300 00	97,500 00	1,277,800 00
1816	94,600 00	153,000 00	5,000 00	936,600 00	1,190,100 00
1817	1,262,800 00	30,200 00	33,000 00	200 00	1,326,200 00
1819		256,800 00			256,800 00
1820			300 00	1,000 00	1,300 00
Unadjusted*					20*
Total					5,000,00

*For an explanation of this item, see "Notes to Recapitulation", post.

SEVEN AND ONE-HALF MILLION LOAN OF 1813.

The act of August 2, 1813 (3 Statutes, 75), authorized the making of a loan of $7,500,000, to be applied to defraying any expenses authorized by law for which appropriations were made. It was provided that no contract or agreement should be entered into which would preclude its reimbursement at any time after January 1, 1826. No stock was to be sold at a rate less than 88 per cent. A commission of one-fourth of one per cent. was allowed to agents. The payment of interest and reimbursement of the principal were charged to the sinking fund, and the faith of the United States was pledged to establish sufficient revenues to make good any deficiency.

Length of loan, 12 years; redeemable after January 1, 1826; amount authorized, $7,500,000; amount issued, $8,498,581 95; sold at 88¼ per cent.; interest, 6 per cent., payable quarterly; final redemption, August 2, 1845.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1813				$3,907,335 00	$3,907,335 00
1814	$3,592,665 00				3,592,665 00
					7,500,000 00
Discount					998,581 95
Total					8,498,581 95

REDEMPTIONS.

1817		$13,181 94	$1,649,167 62		$1,662,349 56
1822				$23,386 95	23,386 95
1824				1,201,621 53	1,201,621 53
1825	$158,339 45				158,339 45
1826	390,481 96		4,820,989 05	159,094 40	5,370,566 01
1827	34,398 24	3,350 00	23,066 60	6,000 00	66,814 84
1828			1,641 66	2,481 81	4,123 47
1829				226 71	226 71
1830		1,525 31		1,000 00	2,525 31
1831				2,332 64	2,332 64
1832			173 92		173 92
1834	78 25				78 25
1840		3,080 00			3,080 00
1845			2,985 00		2,985 00
					8,498,603 64
Unadjusted*					21 69
Total					8,498,581 95

*For an explanation of this item, see "Notes to Recapitulation", *post*.

Proposals for this loan were invited August 30, 1813; a commission of one-eighth of one per cent. was allowed on subscriptions amounting to $100,000 (American State Papers, "Finance," vol. ii, p. 662). A difference of $1 62 in the amount of stock issued, from the true sum calculated at 88¼ per cent., was caused by slight variations in the certificates of stock in small amounts issued at different offices. In 1817 the commissioners of the sinking fund purchased $1,662,349 56 of this stock at par. The amount redeemed in 1822 was exchanged for 5 per cent. stock issued under the act of April 20, 1822. The amount redeemed in 1824 and 1825 was exchanged for 4½ per cent. stock issued under the act of May 26, 1824. The amount redeemed in 1826 was exchanged for 4½ per cent. stock issued under the act of March 3, 1825.

TREASURY NOTES OF MARCH, 1814.

The act of March 4, 1814 (3 Statutes, 100), authorized the issue of treasury notes, not to exceed $10,000,000, to be applied in payment for supplies, or debts due by the United States, or for the purpose of borrowing money. The rate of interest was fixed at 5⅔ per cent., and the notes made reimbursable one year from date of issue. The notes were made transferable by delivery and assignment, and were receivable in payment of all duties and taxes laid by the United States, and for public lands sold. A commission of one-fourth of one per cent. was allowed to agents. The reimbursement of the principal and payment of the interest were charged upon the sinking fund.

Length of loan, 1 year; redeemable 1 year from date; amount authorized, $10,000,000; amount issued, $10,000,000; sold at par; interest, 5⅔ per cent., payable on redemption.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1814		$1,392,100 00	$1,603,900 00	$4,231,280 00	$7,227,280 00
1815	$2,758,620 00	14,100 00			2,772,720 00
Total					10,000,000 00

REDEMPTIONS.

1815			$353,300 00	$1,029,380 00	$1,382,680 00
1816	$1,647,760 00	$938,460 00	98,640 00	1,672,460 00	4,357,320 00
1817	3,526,880 00	86,440 00	58,500 00	102,120 00	3,773,940 00
1818		20 00			20 00
1819	3,520 00	395,940 00	1,000 00		400,460 00
1820			12,400 00	28,460 00	40,860 00
1821	60 00		140 00		200 00
1823				1,160 00	1,160 00
1824		20 00			20 00
1827				20 00	20 00
1828				20 00	20 00
1829		40 00			40 00
1830		20 00			20 00
1834		20 00			20 00
1835				20 00	20 00
1836			20 00		20 00
1837				20 00	20 00
Unadjusted*					43,160 00
Total					10,000,000 00

*For an explanation of this item, see "Notes to Recapitulation", *post*.

TEN MILLION LOAN OF 1814.

The act of March 24, 1814 (3 Statutes, 111), authorized the making of a loan, not exceeding $25,000,000, for the purpose of defraying any expenses authorized by law during the year 1814 for which appropriations were made, and the issue of stock certificates, with interest payable quarterly, redeemable after the expiration of twelve years from December 31, 1814. Neither the rate of interest nor the price of stock was limited, and the reimbursement of the principal and payment of the interest were charged upon the commissioners of the sinking fund.

Length of loan, 12 years; redeemable after December 31, 1826; amount authorized, $25,000,000; amount issued, $9,919,476 25; sold at 80 per cent.; interest, 6 per cent., payable quarterly (January, April, July, and October); outstanding, June 30, 1880, $288 98.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1814		$6,087,011 00	$1,848,130 00	$440 00	$7,935,581 00
Discount					1,983,895 25
Total					9,919,476 25

REDEMPTIONS.

1817		$2,207 12	$1,406,095 90		$1,408,303 02
1818		17 56			17 56
1822				$3,000 00	3,000 00
1828			1,866,555 07	44,619 53	1,911,174 60
1829	$316,493 91	14,013 92	6,086,603 33	67,209 15	6,484,320 31
1830	15,543 16	20,299 70	7,631 23	7,166 78	50,640 87
1831	2,200 00	10,354 41	1,000 00		13,554 41
1832				1,250 00	1,250 00
1834	127 73	68 11	46,310 66		46,506 50
1840		420 00			420 00
					9,919,187 27
Outstanding June 30, 1880*					288 98
Total					9,919,476 25

*Included in the public debt statement, under the title of "Old debt".

In 1817 the commissioners of the sinking fund purchased $2,207 12 of this stock at 99 per cent., the discount amounting to $22 07, and $1,406,095 90 at par. The amount redeemed in 1822 was exchanged for 5 per cent. stock issued under the act of April 20, 1822. The interest on $2,256,039 21 ceased July 1, 1828, these bonds having been in for redemption at that time, by circular-letter from the Secretary of the Treasury dated April 15, 1828.

and

redeemed

$27,000,000, for the

corporations were made,

after the expiration of twelve years

were limited, and the reimbursement

to account of the interest were charged upon the commissioners of the sinking fund.

Length of loan, 12 years; redeemable after December 31, 1826; amount authorized, $25,000,000; amount issued, $746,403 31; sold at from 80 to 95 per cent.; interest, 6 per cent., payable quarterly (January, April, July, and October); final redemption, August 15, 1834.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1814				$150,000 00	$150,000 00
1815	$184,032 22	$74,590,75			258,622 97
1816	163,911 39	80,000 00			243,911 39
					652,534 36
Discount					93,868 95
Total					746,403 31

REDEMPTIONS.

1817			$208,507 54		$208,507 54
1829			521,219 30	$9,462 81	530,682 11
1830	$3,921 00	$1,181 32	350 43		5,452 75
1834			1,760 91		1,760 91
Total					746,403 31

The cash received and covered into the treasury in the year 1814, on account of this loan, was $150,000, which was subscribed by several corporations of Baltimore for the purpose of building a steam frigate for the defense of that port. This amount is erroneously included in a credit of $690,000 to the chairman of the vigilance committee, &c., on account of the "six million loan of 1814" (R. and Ex. for 1814, p. 14); deduct it from that account and add it to this to find the true amount received in 1814. The cash received and covered in 1815 is stated at $74,590 75 (R. and Ex. for 1815, p. 13). Add to this $43,222 22 received from Bank of Pennsylvania, $25.000 from Bank of Columbia, $100,000 from Mechanics' Bank of Alexandria, on account of this loan, but erroneously credited to the "six million loan of 1814" (R. and Ex. for 1815, p. 13), and $15,000 treasury notes of February 25, 1813, with accrued interest, $810 ($15,810), redeemed by conversion into this stock, and the result is $258,622 97, the true amount received in 1815. The cash received and covered in 1816 was $243,911 39, but this amount is erroneously credited to loan of $3,000,000 of November 15, 1814 (R. and Ex. for 1816, p. 13); deducted from that account and added to this gives the true amount received in 1816. In 1817 the commissioners of the sinking fund purchased $208,507 54 of this stock at par.

MISSISSIPPI STOCK.

The act of March 31, 1814 (3 Statutes, 116), authorized the issue of certificates of stock, not to exceed $5,000,000, the same to be applied to indemnify certain claimants of public lands in the Mississippi territory. The stock was to bear no interest, and was redeemable out of the first money in the treasury arising from the sale of said lands after certain money due and the expenses of surveying such lands should have been satisfied. The certificates were made receivable for other public lands at the rate of $95 in stock and $5 in cash for every hundred dollars to be paid for such other lands.

Length of loan, indefinite; redeemable as provided for by law; amount authorized, $5,000,000; amount awarded,* $4,282,151 12½; amount issued, $4,282,036 92; sold at par; interest, none; outstanding June 30, 1880, $871 78.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815			$2,663,676 03	$420,576 22½	$3,084,252 25½
1816	$617,095 18½	$388,717 49½	43 92½	8,420 57½	1,014,277 18½
1817	107,939 78	15,674 63	6,882 08	46,143 41	176,639 90
1818		1,428 57		625 00	2,053 57
1819	3,080 00				3,080 00
1820			1,734 01		1,734 01
Total*					4,282,036 92

*Of the whole sum awarded, payment for small claims, amounting to $114 20½, has never been called for.

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
	$2,350 00	$12,237,35	$41,050 00	$67,444 48	$123,081 83
	59,076 46	30,735 77	220,308 94	64,516 16	374,637 33
	518,211 50	49,350 00	483,518 22	425,994 31	1,477,074 33
	143,850 00	143,015 26	111,717 48	21,982 30	420,565 04
	29,452 71	1,082,077 42	66,699 33	8,813 77	1,187,643 23
	5,217 03	5,582 58	588,392 96	42,774 01	641,966 58
	13,361 47	3,300 50	6,410 00	175 00	23,246 97
	3,873 50	528 57	900 00	450 00	5,752 07
	1,150 00	1,000 00	1,350 00	4,642 34	8,142 34
	300 00	499 02	875 00	7,128 92	8,802 94
		150 00	300 00	450 00	900 00
	292 48		750 00	150 00	1,192 48
	150 00		750 00	5,525 00	6,425 00
	150 00		300 00	600 00	1,050 00
			385 00	300 00	685 00
					871 78
					4,282,036 92

* Included in the public debt statement, under the title of "Old debt".

This stock having been issued in settlement of claims for certain lands, no money ever came into the treasury on this account. Stock amounting to $2,448,789 44 was transferred to the government in payment for public lands.

TEMPORARY LOAN OF 1814.

The act of November 15, 1814 (3 Statutes, 144), authorized the making of a loan of $3,000,000, to be applied to defray any expenses that should be authorized by law, and the issue of scrip certificates therefor. It was provided that no engagement or contract should be entered into which would preclude its reimbursement at any time after December 31, 1826. A commission of one-fourth of one per cent. was allowed to agents. The payment of the interest and reimbursement of the principal were charged upon the sinking fund.

Length of loan, indefinite; redeemable as per contract; amount authorized, $3,000,000; amount issued, $1,450,000; sold at par; interest, 6 to 7 per cent., payable annually; final redemption, September 16, 1816.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
				$50,000 00	$50,000 00
	*$600,000 00	$650,000 00			1,250,000 00
	150,000 00				150,000 00
Total					1,450,000 00

REDEMPTIONS.

			$700,000 00	$250,000 00	$950,000 00
			500,000 00		500,000 00
					1,450,000 00

*$400,000 of this amount was borrowed at 7 per cent. interest and the balance of the loan at 6 per cent.

TREASURY NOTES OF DECEMBER, 1814.

[illegible] December 26, 1814 (3 Statutes, 161), authorized the issue of treasury notes, not to exceed [illegible] $7,500,000, in lieu of uneffected portions of the loans authorized by acts of March 24 and November [illegible] applied to the same uses, and a further sum of $3,000,000 to defray the expenses of the War [illegible] the current year. The rate of interest was fixed at 5¾ per cent., and the notes were made [illegible] year from date of issue, transferable by delivery and assignment, and receivable in payment of [illegible] and by the United States, and for public lands sold by the same authority. A commission of [illegible] per cent. was allowed to agents. The reimbursement of the principal and payment of interest [illegible] the sinking fund.

[illegible] year; redeemable 1 year from date; amount authorized, $10,500,000; amount issued, [illegible]; interest, 5¾ per cent., payable on redemption.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815	$5,519,680 00	$2,055,300 00	$743,420 00		$8,318,400 00
Total					8,318,400 00

REDEMPTIONS.

1815				$1,400 00	$1,400 00
1816	$554,340 00	$1,234,280 00	$279,020 00	1,953,240 00	4,021,480 00
1817	3,302,420 00	103,880 00	182,220 00	1,100 00	3,589,620 00
1818		100 00			100 00
1819	6,120 00	715,540 00			721,660 00
1820		60 00	13,820 00	9,440 00	23,320 00
1821	40 00		200 00		240 00
1822				100 00	100 00
1823				120 00	120 00
1824		40 00			40 00
1825		60 00			60 00
1827	20 00	320 00			340 00
1828			300 00		300 00
1830				50 00	50 00
1832				20 00	20 00
1834		20 00			20 00
1841	100 00	120 00	200 00		420 00
1842		140 00			140 00
					8,359,430 00
Unadjusted*					41,030 00
Total					8,318,400 00

*For an explanation of this item, see "Notes to Recapitulation", *post*.

DIRECT-TAX LOAN.

The act of January 9, 1815, section 42 (3 Statutes, 179), authorized the making of a loan of $6,000,000, in hypothecation of the direct tax laid by the same act. The rate of interest was not to exceed 6 per cent. per annum, and the money obtained was to be applied and appropriated to the payment of the public debt and other expenses of the government.

Length of loan, indefinite; redeemable upon receipt of direct tax; amount authorized, $6,000,000; amount issued, $200,000; sold at par; interest, 6 per cent.; final redemption, June 1, 1815.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815		$200,000 00			$200,000 00
Total					200,000 00

REDEMPTIONS.

1815		$200,000 00			$200,000 00
Total					200,000 00

TEMPORARY LOAN OF FEBRUARY, 1815.

The act of February 13, 1815 (3 Statutes, 205), authorized the making of a loan of $500,000, to be applied to repairing and rebuilding the President's house, Capitol, and other public offices on their present sites in the city of Washington. The rate of interest was not to exceed 6 per cent. per annum.

Length of loan, indefinite; redeemable as per contract; amount authorized, $500,000; amount issued, $225,000; sold at par; interest, 6 per cent., payable annually; final redemption, May 8, 1816.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
		$50,000 00	$50,000 00	$75,000 00	$175,000 00
	$50,000 00				50,000 00
					225,000 00

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1824		$225,000 00			$225,000 00
Total					225,000 00

SEVEN PER CENT. STOCK OF 1815.

The act of February 24, 1815 (3 Statutes, 213), authorized the issue of $25,000,000 in treasury notes of various denominations; notes of lower denominations than $100 to bear no interest, and to be transferable by delivery alone, and exchangeable at par for certificates of funded stock, redeemable after December 31, 1824, bearing interest at seven per cent. per annum, payable quarterly. The payment of interest and reimbursement of the principal were to be effected out of funds established by law for payment and reimbursement of funded public debts contracted since the declaration of war against Great Britain, and the faith of the United States was pledged to establish and appropriate sufficient revenues in addition to said fund, if necessary.

Length of loan, irregular; redeemable after December 31, 1824; amount authorized, $25,000,000; amount issued, $9,070,386; issued for treasury notes at par; interest, 7 per cent., payable quarterly (January, April, July, and October); outstanding June 30, 1880, $32 52.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815		$408,995 00	$2,241,521 00	$1,272,889 00	$3,923,405 00
1816	$2,910,986 00	1,413,635 00	299,983 00	376,824 00	5,010,428 00
1817	59,958 00	25,068 00	29,441 00	2,143 00	116,610 00
1818	3,669 00	2,131 00	1,354 00	2,454 00	9,608 00
1819	3,417 00	1,020 00	1,061 00	2,810 00	8,308 00
1820	331 00	145 00	452 00		928 00
1821	284 00		329 00		613 00
1822	120 00				120 00
1823	135 00				135 00
1824	84 00	122 00			206 00
1825		25 00			25 00
Total					9,070,386 00

REDEMPTIONS.

1837			$5 91	$332,984 60	$332,990 51
1839		$241 04		136,706 18	136,947 22
1850	$1,949,404 01	1,376,835 39	797,157 70	127,185 00	4,250,582 10
1852	4,023,078 84	97,445 55	116,613 70	67,143 24	4,304,281 33
1856	16,263 32	2,457 89	2,022 56		20,743 77
1857	5,014 00			2,066 40	7,080 40
1858	778 00			1,500 00	2,278 00
1859		221 56			221 56
1861				3,000 00	3,000 00
1864			12,000 00		12,000 00
1866			228 59		228 59
Outstanding June 30, 1880*					32 52
Total					9,070,386 00

* Included in the public debt statement, under the title of "Old debt".

The cash received and covered into the treasury on account of this loan in the year 1815 is stated at $5,432,543 (R. and Ex. for 1815, p. 15). Add to this $945 received on account of this loan, but erroneously credited to small treasury notes of 1815, and deduct $300,000 received on account of small treasury notes of 1815, but erroneously credited to this loan, and the result is $5,133,488, the true amount received in 1815. The cash received and covered in 1816 is stated at $3,842,804 (R. and Ex. for 1816, p. 14). Deduct from this $20 received on account of small treasury notes of 1815, but erroneously credited to this loan, and the result is $3,842,784, the true amount received in 1816.

The cash received and covered in each of the years from 1815 to 1820 (R. and Ex. for 1815, p. 15; 1816 1817, p. 13; 1818, p. 13; 1819, p. 13; 1820, p. 12) does not agree with the above statement of issues for corr years, though the total cash received and stock issued do agree. The explanation is that the law direct of the stock on the first day of the month following the deposit of the treasury notes. For dep

covered in December, therefore, the stock was not issued until January, and hence a constant discrepancy in each year's account until the loan was closed. The stock bore interest from the date of issue (Comptroller's Circular, March 24, 1815).

The receipts in 1817, from the commissioner of loans for Massachusetts, are stated at $38,188 (R. and Ex. for 1817, p. 13), but $100 of this was a "cashier's certificate not presented for stock". This certificate does not appear ever to have been presented for conversion, and it is not included in the above account.

During the years 1817 to 1825, small treasury notes of 1815 to the amount of $16,002 were converted into stock of this loan. These conversions do not appear in the Receipts and Expenditures.

In 1817 the sinking fund commissioners purchased $332,990 51 of this stock at from 105.75 to 106.51, the premiums amounting to $21,677 63; and, in 1819, $136,947 22 at from 104.40 to 104.57, the premiums amounting to $6,224 80.

The act of January 22, 1824 (4 Statutes, 4), authorized the sinking fund commissioners to purchase, during the year, $8,610,000 of this stock at not to exceed the following rates: If purchased before April 1, 1824, interest to that date and two per cent. premium; between April 1 and July 1, interest to the latter date and three-fourths of one per cent. premium; between July 1 and October 1, interest to the latter date; and between October 1 and January 1, 1825, interest to date of purchase. Under this authority, the following amounts were purchased: $1,949,404 01, on which was paid $38,987 93 premium, and $1,376,839 39, on which was paid $10,325 94 premium. A commission of one-fourth of one per cent. was allowed to purchasing agents.

TREASURY NOTES OF 1815.

The act of February 24, 1815 (3 Statutes, 213), authorized the issue of treasury notes of various denominations, not to exceed $25,000,000, to be applied in payment for services, or supplies, or for debts due by the United States, or for borrowing money. Notes of the denomination of $100 and over were made payable to order and transferable by delivery and assignment, and to bear an interest of 5⅔ per cent. per annum. These notes were made exchangeable for a 6 per cent. funded stock created by virtue of the same act, and were receivable in all payments to the United States; but, however redeemed or surrendered, were liable to reissue in like manner as originally issued.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $25,000,000; amount issued, $4,969,400; sold at par; interest, 5⅔ per cent., payable on redemption.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815			$694,600 00	$858,900 00	$1,553,500 00
1816	$2,353,100 00	$244,400 00	803,400 00	15,000 00	3,415,900 00
Total					4,969,400 00

REDEMPTIONS.

1815				$600 00	$600 00
1816	$300 00	$7,800 00	$42,100 00	60,900 00	111,100 00
1817	123,900 00	352,500 00	68,500 00	14,500 00	559,400 00
1819	33,700 00	4,018,700 00			4,052,400 00
1820		2,300 00	171,900 00	50,000 00	224,200 00
1821	700 00	1,800 00	400 00		2,900 00
1822		500 00			500 00
1823		200 00		1,700 00	1,900 00
1824		4,300 00			4,300 00
1825	2,400 00	300 00		1,000 00	3,700 00
1826	200 00				200 00
1827	3,600 00	100 00			3,700 00
1828	200 00			1,900 00	2,100 00
1829		300 00	100 00		400 00
1830			800 00		800 00
1832				300 00	300 00
1833		500 00			500 00
1836		200 00			200 00
1837	100 00		300 00		400 00
1841	400 00				400 00
					4,970,000 00
Unadjusted*					600 00
Total					4,969,400 00

*For an explanation of this item, see "Notes to Recapitulation", post.

SMALL TREASURY NOTES OF 1815.

The act of February 24, 1815 (3 Statutes, 213), authorized the issue of treasury notes of various denominations, not to exceed $25,000,000, to be applied in payment for services, or supplies, or for debts due by the United States, or for borrowing money; notes of lower denominations than $100 to bear no interest and to be transferable by delivery alone. These notes were made exchangeable for a 7 per cent. funded stock, created by virtue of the same act, and were receivable in all payments to the United States; but however redeemed or surrendered, were liable to be reissued, and applied anew to the same purposes, and in the same manner, as when originally issued.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $25,000,000; amount issued, $3,392,994; sold at various rates from par to 4 per cent. premium; interest, none.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815	$18,000 00	$2,264,850 00		$302,290 00	$2,585,140 00
1816	122,681 00	224,705 00	$360,468 00		807,854 00
Total					3,392,994 00

REDEMPTIONS.

1816	$50 00	$16 00		$8,140 00	$8,206 00
1817	214,271 00	1,646,388 00	$782,953 00	677,537 00	3,321,149 00
1818	2,736 00	10,153 00	130 00	1,022 00	14,041 00
1819	4,952 00	36,087 00			41,039 00
1820			2,448 00	2,528 00	4,976 00
1821	561 00			225 00	786 00
1822		33 00	60 00		93 00
1823	135 00	123 00			258 00
1824	84 00	122 00			206 00
1827	15 00	45 00		35 00	95 00
1828		10 00			10 00
1829	5 00			13 00	18 00
1830				3 00	3 00
1831			3 00		3 00
1834		10 00			10 00
1836	5 00				5 00
1837	15 00				15 00
1839	5 00				5 00
1842	10 00				10 00
Unadjusted*					2,061 00
Total					3,392,994 00

* For an explanation of this item, see "Notes to Recapitulation", post.

The net amount of premium realized from the sale of a portion of these notes was $32,793 73 (Receipts and Expenditures, 1815–'16).

TREASURY-NOTE STOCK OF 1815.

The act of February 24, 1815 (3 Statutes, 213), authorized the issue of $25,000,000 in treasury notes of various denominations; notes of the denomination of $100 and over to be made payable to order and transferable by delivery and assignment, and to bear an interest of 5⅔ per cent. per annum. These notes were made exchangeable at par for certificates of funded stock, redeemable after December 31, 1824, bearing interest at 6 per cent. per annum, payable quarterly. Payment of interest and reimbursement of the principal to be effected out of funds established by law for payment and reimbursement of funded public debt contracted since the declaration of war against Great Britain, and the faith of the United States was pledged to establish and appropriate sufficient revenues in addition to said fund, if necessary.

Length of loan, irregular; redeemable after December 31, 1824; amount authorized, $25,000,000; amount issued, $1,505,352 18; issued for treasury notes at par; interest, 6 per cent., payable quarterly (January, April, July, and October); outstanding June 30, 1880, $67 53.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815			$940 00	$2,630 25	$3,570 25
1816	$5,522 23	$168,424 71	198,243 60	11,884 36	384,074 90
1817	1,379 06	585,701 99	86,679 30	125,306 13	799,066 48
1818	13,619 64				13,619 64
1819	47,988 62				47,988 62
1820		2,069 01	234,879 75	1,132 83	238,081 59
1821	1,001 44	2,304 60	650 70	240 50	4,197 24
1822	1,054 00	676 00	407 55		2,137 55
1823	435 53		1,126 34	716 75	2,278 62
1824		6,241 30			6,241 30
1825	3,584 70	511 29			4,095 99
Total					1,505,352 18

REDEMPTIONS.

1817			$25,258 42		$25,258 42
1818	$107 65				107 65
1819		$100 00			100 00
1825		940,732 73	438,625 33	$39,145 09	1,418,503 15
1826	30,817 00	1,986 80	4,439 56	554 75	37,798 11
1827	3,000 00	1,200 00			4,200 00
1828			2,466 74	16,499 58	18,966 32
1830				351 00	351 00
					1,505,284 65
Outstanding June 30, 1880*					67 53
Total					1,505,352 18

* Included in the public debt statement, under the title of "Old debt".

TEMPORARY LOAN OF MARCH, 1815.

The act of March 3, 1815 (3 Statutes, 227), authorized the making of a loan of $18,452,800, to be applied to defraying any expenses authorized by law for which appropriations were made. It provided that no engagement or contract should be entered into which would preclude its reimbursement at any time after December 31, 1827. A commission of one-fourth of one per cent. was allowed to agents. The payment of the interest and reimbursement of the principal were charged to the sinking fund, and the faith of the United States pledged to make good any deficiency.

Length of loan, indefinite; redeemable at various dates, as per contract; amount authorized, $18,452,800; amount issued, $1,150,000; sold at par; interest, 6 per cent., payable quarterly; final redemption, April 26, 1817.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815		$650,000 00			$650,000 00
1816				$500,000 00	500,000 00
Total					1,150,000 00

REDEMPTIONS.

1815			$650,000 00		$650,000 00
1817		$500 000 00			500,000 00
Total					1,150,000 00

SIX PER CENT. LOAN OF 1815.

The act of March 3, 1815 (3 Statutes, 227), authorized the making of a loan of $18,452,800, to be applied to defraying any expenses authorized by law for which appropriations were made. It provided that no engagement or contract should be entered into which would preclude its reimbursement at any time after December 31, 1827. A commission of one-fourth of one per cent. was allowed to agents. The payment of the interest and reimbursement of the principal were charged to the sinking fund, and the faith of the United States pledged to make good any deficiency.

Length of loan, 15 years; redeemable after December 31, 1827; amount authorized, $18,452,800; amount issued, $12,288,147 56; sold at from 95 per cent. to par; interest, 6 per cent., payable quarterly; final redemption, December 31, 1835.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1815		$8,167,699 31	$2,047,031 79	$1,070,720 01	$11,285,651 11
1816	$318,675 52			95,000 00	413,675 52
					11,699,326 63
Discount					588,820 93
Total					12,288,147 56

REDEMPTIONS.

1817		$257,771 86	$2,524,732 37		$2,782,524 23
1819	$15,000 00		526 31		15,526 31
1830	2,779,145 05	187,090 50	6,130,155 55	$224,376 45	9,320,767 55
1831	34,110 08	14,925 60	78,324 41	4,100 00	131,460 09
1832	900 00	1,200 00		18,540 66	20,640 66
1833	945 53	582 00			1,527 53
1834		9,134 92	7,000 00		16,134 92
1835				1,000 00	1,000 00
					12,288,671 29
Unadjusted*					1,523 73
Total					12,288,147 56

* For an explanation of this item see "Notes to Recapitulation", post.

In 1817 the commissioners of the sinking fund purchased $2,782,524 23 of this stock, at from 99 per cent. to par, the discount amounting to $2,565 13. The brokerage on these purchases amounted to $638 02.

FIVE PER CENT. LOAN OF 1816.

The act of April 10, 1816, section 6 (3 Statutes, 269), authorized a subscription on the part of the United States of $7,000,000, for seventy thousand shares of the capital stock of the Bank of the United States, to be paid in gold or silver coin, or in stock of the United States bearing interest at the rate of 5 per cent. per annum; if in public stock the interest was to be paid quarterly, and the principal reimbursed at the pleasure of the government. A proviso prohibited the bank from selling or transferring more than two million dollars of this stock in any one year.

Length of loan, indefinite; redeemable, at the pleasure of the government; amount authorized, $7,000,000; amount issued, $7,000,000; sold at par; interest, 5 per cent., payable quarterly; final redemption, June 30, 1831.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1817	$7,000,000				$7,000,000 00
Total					7,000,000 00

REDEMPTIONS.

1830			$2,000,000	$1,000,000	$3,000,000 00
1831	$2,000,000	$2,000,000			4,000,000 00
Total					7,000,000 00

This stock having been issued in payment of the government subscription for seventy thousand shares of the capital stock of the Bank of the United States, no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury.

FIVE PER CENT. LOAN OF 1820.

The act of May 15, 1820 (3 Statutes, 582), authorized the making of a loan of $3,000,000, for the purpose of defraying any public expenses authorized by law. The rate of interest was not to exceed 5 per cent. per annum, payable quarterly, and the loan was made reimbursable after January 1, 1832. The payment of interest and reimbursement of the principal were charged to the sinking fund. No stock was to be sold below par, and a commission of one-eighth of one per cent. was allowed to agents.

Length of loan, 12 years; redeemable, after January 1, 1832; amount authorized, $3,000,000; amount issued, $999,999 13; sold at par; interest, 5 per cent., payable quarterly; final redemption, April 14, 1834.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1820		$94,297 13	$443,574 34	$462,127 66	$999,999 13
Total					999,999 13

REDEMPTIONS.

1831				$167,990 04	$167,990 04
1832	$757,688 49	$7,393 14	$38,347 49		803,429 12
1833	27,579 97				27,579 97
1834		1,000 00			1,000 00
Total					999,999 13

SIX PER CENT. LOAN OF 1820.

The act of May 15, 1820 (3 Statutes, 582), authorized the making of a loan of $3,000,000, for the purpose of defraying any public expenses authorized by law. The rate of interest was not to exceed 6 per cent. per annum, payable quarterly, and the loan was made reimbursable at the pleasure of the government. The payment of interest and reimbursement of the principal were charged to the sinking fund. No stock was to be sold below par, and a commission of one-eighth of one per cent. was allowed to agents.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, $3,000,000; amount issued, $2,000,000; sold at a premium of 2 per cent.; interest 6 per cent., payable quarterly; final redemption, December 27, 1822.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1820		$2,000,000 00			$2,000,000 00
Total					2,000,000 00

REDEMPTIONS.

1822				$2,000,000 00	$2,000,000 00
Total					2,000,000 00

The premium received on account of this loan amounted to $40,000.

FIVE PER CENT. LOAN OF 1821.

The act of March 3, 1821 (3 Statutes, 635), authorized the making of a loan of $5,000,000, to be applied to defraying such public expenses as were authorized by law. The rate of interest was not to exceed 5 per cent. per annum, payable quarterly, and the loan was made reimbursable after January 1, 1835. No stock was to be sold below par, and a commission of one-eighth of one per cent. was allowed to agents. The payment of interest and reimbursement of the principal were charged to the sinking fund, and the faith of the United States was pledged to establish sufficient revenues to cover any deficiencies in such funds.

Length of loan, 14 years; redeemable after January 1, 1835; amount authorized, $5,000,000; amount issued, $4,735,296 30; sold at a premium of 5.147 to 8 per cent.; interest, 5 per cent., payable quarterly; final redemption, June 11, 1839.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1821	$4,000,000 00		$735,296 30		$4,735,296 30
Total					4,735,296 30

REDEMPTIONS.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1833			$1,288 55	$21,947 46	$23,236 01
1834	$114,741 79	$45,092 74	286,158 05	297,657 40	743,550 98
1835	3,087,913 81	144,927 26	69,582 53	28,062 96	3,911,086 58
1836	4,179 03	43,234 74			47,413 77
1839		10,000 00			10,000 00
Total					4,735,296 34

An over-redemption of four cents, which occurred in the New York loan office, was evidently a clerical error. The premium received on account of this loan amounted to $264,703 70.

EXCHANGED FIVE PER CENT. STOCK OF 1822.

The act of April 20, 1822 (3 Statutes, 663), authorized a subscription to the amount of $12,000,000 of the 7 per cent. stock of 1815 and 6 per cent. stock of 1812; also, for $14,000,000 of the 6 per cent. stock of 1813, 1814, and 1815, for which certificates were to be issued, the same to be exchangeable for stock certificates bearing interest at the rate of 5 per cent. per annum, payable quarterly. This stock was made transferable and subject to redemption at the pleasure of the United States, one-third after December 31, 1830, one-third after December 31, 1831, and the remainder at any time after December 31, 1832, provided that no reimbursement was to be made save of the whole amount of any certificate, and after six months' public notice. The payment of interest and reimbursement of the principal were charged upon the sinking fund.

Length of loan, 8, 9, and 10 years; redeemable as provided for by law; amount authorized, $26,000,000; amount issued, $56,704 77; sold at par; interest, 5 per cent., payable quarterly; final redemption, December 30, 1833.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1822				$56,704 77	$56,704 77
Total					56,704 77

REDEMPTIONS.

1833	$38,255 71	$16,000 00		$2,449 06	$56,704 77
Total					56,704 77

This stock was issued in exchange for the following amounts: 6 per cent. stock of 1813, sixteen million loan, $23,317 82; 6 per cent. stock of 1813, seven and one-half million loan, $23,386 95; 6 per cent. stock of 1814, ten million loan, $3,000; 6 per cent. stock of 1814, six million loan, $7,000. For this reason no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury.

FOUR AND ONE-HALF PER CENT. LOAN OF 1824.

The act of May 24, 1824 (4 Statutes, 33), authorized the making of a loan of $5,000,000, for the purpose of providing funds to discharge the awards of the commissioners under the treaty with Spain of February 22, 1819. The rate of interest was not to exceed four and one-half per cent. per annum, and the loan was made redeemable at any time after January 1, 1832. The interest on this loan for the first year was provided for by appropriation.

Length of loan, 8 years; redeemable after January 1, 1832; amount authorized, $5,000,000; amount issued, $5,000,000; sold at par; interest, 4½ per cent., payable quarterly; final redemption, December 24, 1833.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1824		$5,000,000 00			$5,000,000 00
Total					5,000,000 00

REDEMPTIONS.

1831				$3,299,858 10	$3,299,858 10
1832	$487,642 56	$747,549 95	$49,914 14	402,553 57	1,687,660 22
1833				12,481 68	12,481 68
Total					5,000,000 00

EXCHANGED FOUR AND ONE-HALF PER CENT. STOCK OF 1824.

The act of May 26, 1824, section 3 (4 Statutes, 74), authorized a subscription to the six per cent. stock of 1813, to the amount of $15,000,000, the same to be effected by a transfer of said stock to the United States and the issue of scrip certificates therefor bearing an interest of four and one-half per cent. per annum. The loan was made reimbursable, at the pleasure of the government, one-half at any time after December 31, 1832, and the remainder at any time after December 31, 1833, provided that no reimbursement should take place until after six months' public notice. The interest, payable quarterly, and the reimbursement of the principal were charged upon the sinking fund.

Length of loan, 8 and 9 years; redeemable after December 31, 1832 and 1833; amount authorized, $15,000,000; amount issued, $4,454,727 95; sold at par; interest, 4½ per cent., payable quarterly; final redemption, March 11, 1843.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1824				$3, 848, 923 04	$3, 848, 923 04
1825	$605, 804 91				605, 804 91
Total					4, 454, 727 95

REDEMPTIONS.

1833	$2, 042, 784 19	$79, 375 27	$41, 551 06	$960, 685 05	$3, 124, 395 57
1834	459, 880 27	614, 106 63	234, 691 90	18, 543 25	1, 327, 222 05
1839	3, 000 00				3, 000 00
1843	110 32				110 32
Total					4, 454, 727 94

This stock having been issued in exchange for $3,094,766 97 of the sixteen million loan of 1813 and $1,359,960 98 of the seven and a half million loan of 1813, no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury. In 1836 the bank of the United States, acting as loan agent for the redemption of this stock, repaid the sum of $3,110 32 previously advanced, which amount was subsequently redeemed at the treasury. There is a difference of one cent in the redemption account of the Pennsylvania loan agency, which was evidently a clerical error.

FOUR AND ONE-HALF PER CENT. LOAN OF 1824.

The act of May 26, 1824, section 1 (4 Statutes, 73), authorized a loan of $5,000,000 for the purpose of discharging such a part of the six per cent. stock of 1812 as should be redeemable after January 1, 1825. The interest was not to exceed four and one-half per cent. per annum, payable quarterly, and the principal was made reimbursable, at the pleasure of the government, at any time after December 31, 1831. The payment of interest and reimbursement of the principal were charged upon the sinking fund. A proviso forbade the stock to be sold below par.

Length of loan, indefinite; redeemable at any time after December 31, 1831; amount authorized, $5,000,000; amount issued, $5,000,000; sold at par; interest 4½ per cent., payable quarterly; final redemption, February 21, 1834.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1825	$2, 500, 000 00	$2, 500, 000 00			$5, 000, 000 00
Total					5, 000, 000 00

REDEMPTIONS.

1831				$1, 592, 388 67	$1, 592, 388 67
1832	$3, 227, 715 68	$129, 191 01	$34, 496 53	8, 380 00	3, 399, 783 22
1833	2, 062 18	2, 800 00	913 26	101 00	5, 876 44
1834	1, 951 67				1, 951 67
Total					5, 000, 000 00

For a list of bids for this loan, see Ex. Doc. No. 15, 1st sess. 28th Cong.

EXCHANGED FOUR AND ONE-HALF PER CENT. STOCK OF 1825.

The act of March 3, 1825 (4 Statutes, 129), authorized a loan of $12,000,000, to be applied to paying off and discharging such part of the six per cent. stock of 1813 as would be redeemable after January 1, 1826. The stock was made exchangeable for stock bearing 6 per cent. interest, and was redeemable: one-half after January 1, 1828, and one-half after January 1, 1829. The rate of interest was not to exceed 4½ per cent. per annum, payable quarterly. The act provided that no stock should be sold under par. The payment of interest and reimbursement of the principal were charged upon the sinking fund, and six months' public notice was required to be given previous to such reimbursement.

Length of loan, 3 and 4 years; redeemable January 1, 1828 and 1829; amount authorized, $12,000,000; amount issued, $1,539,336 16; sold at par; interest, 4½ per cent., payable quarterly; final redemption, March 31, 1834.

ISSUES.

Calendar year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1826	$1,539,336 16				$1,539,336 16
Total					1,539,336 16

REDEMPTIONS.

1831			$1,408,111 48	$28,172 33	$1,436,283 81
1832	$35,093 40	$6,385 71		30,748 80	72,227 91
1833			30,486 81	220 86	30,707 67
1834	116 77				116 77
Total					1,539,336 16

This stock having been issued in exchange for $1,148,854 20 of the sixteen million loan of 1813 and $390,481 96 of the seven and a half million loan of 1813, no money ever came into the treasury on this account, and the money for its redemption was provided from the general funds in the treasury.

TREASURY NOTES PRIOR TO 1846.

The act of October 12, 1837 (5 Statutes, 201), authorized the President to cause the issue of treasury notes in such sums as the exigencies of the government might require, not exceeding, in the whole, the sum of $10,000,000, of denominations not less than $50 for any one note, redeemable one year after date, bearing interest from their respective dates for the term of one year, at rates to be fixed by the Secretary of the Treasury, but not to exceed 6 per cent. They were to be issued in payment of debts due by the United States, to such public creditors or other persons as chose to receive them in payment at their par value; were to be transferable by delivery and assignment, indorsed on them by the person to whom they had been made payable; and were to be received in payment of all duties and taxes laid by the United States, of all public lands sold by the same authority, and of all debts due to the United States, credit to be given for the interest due on the notes at the time of payment. The Secretary of the Treasury was authorized to borrow, not below par, such sums as the President might deem expedient, on the credit of the notes. The acts of May 21, 1838 (5 Statutes, 228); March 2, 1839 (5 Statutes, 323); March 31, 1840 (5 Statutes, 370); February 15, 1841 (5 Statutes, 411); January 31, 1842 (5 Statutes, 469); August 31, 1842 (5 Statutes, 581); and March 3, 1843 (5 Statutes, 614), authorized a further issue of treasury notes in various amounts, subject to similar provisions, conditions, limitations, and restrictions as were contained in the act of October 12, 1837.

Length of loan, 1 and 2 years; redeemable 1 and 2 years from date; amount authorized, $51,000,000; amount issued, $47,002,900; sold at par; interest at various rates from $\frac{1}{10}$ of 1 to 6 per cent., payable on redemption. Outstanding June 30, 1880, $82,525 35.

ISSUES.

Authority for issue.	Year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
Act of October 12, 1837	1837				$2,992,989 15	$2,992,989 15
Do	1838	$4,474,360 57	$2,532,650 28			7,007,010 85
Act of May 21, 1838	1838		4,904,014 25	$805,795 76		5,709,810 01
Act of March 2, 1839	1839	2,080,985 14	1,776,291 07			3,857,276 21
Act of March 31, 1840	1840		1,836,009 09	3,096,405 48	657,132 94	5,589,547 51
Do	1841	1,524,703 80				1,524,703 80
Act of February 15, 1841	1841	1,327,874 95	3,395,176 07	1,223,901 88	521,923 80	6,468,856 70
Do	1842	1,060,206 05				1,060,206 05
Act of January 31, 1842	1842	4,045,303 22	3,385,026 79	364,491 58	119,823 24	7,914,644 83
Do	1843	45,350 00				45,350 00
Act of August 31, 1842	1842				2,408,554 89	2,408,554 89
Do	1843	617,000 00				617,000 00
Act of March 3, 1843	1844		855,800 00	925,600 00	25,550 00	1,806,950 00
Total						47,002,900 00

REDEMPTIONS.

Year.*	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1838	$811,299 42	$668,173 48	$2,852,169 40	$1,256,864 41	$5,588,506 71
1839	4,315,565 25	3,652,838 16	1,568,942 29	1,163,931 43	10,701,277 13
1840	1,675,134 24	1,166,607 94	651,423 40	406,867 44	3,900,033 02
1841	321,656 29	1,976,214 27	2,547,536 09	463,027 60	5,308,434 25
1842	1,602,278 02	5,228,674 83	760,324 88	205,547 11	7,796,824 84
1843	196,878 93	135,909 39	.....	.....	332,788 32
1844	6,553,690 99	2,243,922 67	1,299,983 71	1,014,775 59	11,112,372 96
1845	303,103 60	49,746 00	832,583 95	291,265 04	1,476,698 59
1846	98,200 00	68,649 80	67,450 00	62,150 00	296,449 80
1847	60,330 41	52,653 00	48,447 83	32,265 83	193,697 07
1848	28,678 00	27,700 00	15,300 00	57,050 00	128,728 00
1849	4,250 00	5,200 00	5,600 00	5,750 00	20,800 00
1850	2,200 00	850 00	1,350 00	1,450 00	5,850 00
1851	950 00	727 67	1,850 00	250 00	3,777 67
1852	700 00	450 00	1,700 00	22,450 00	25,300 00
1853	4,600 00	150 00	300 00	2,400 00	7,450 00
1854	100 00	50 00	200 00	100 00	450 00
1855	.....	500 00	150 00	.....	650 00
1857	.....	3,000 00	400 00	300 00	3,700 00
1859	.....	150 00	.....	.....	150 00
1860	.....	1,500 00	.....	.....	1,500 00
1861	.....	250 00	50 00	.....	300 00
1862	.....	.....	50 00	.....	50 00
1863	.....	50 00	.....	.....	50 00
1864	.....	.....	50 00	.....	50 00
1865	.....	.....	100 00	50 00	150 00
1866	.....	200 00	.....	.....	200 00
1868	.....	.....	50 00	.....	50 00
1869	.....	.....	150 00	.....	150 00
1870	.....	.....	100 00	100 00	200 00
1872	.....	.....	50 00	50 00	100 00
1877	.....	.....	50 00	.....	50 00
Unadjusted†	.....	.....	.....	.....	13,586 29
					46,920,374 65
Outstanding June 30, 1880	.....	.....	.....	.....	82,525 35
Total	.....	.....	.....	.....	47,002,900 00

*This account is stated by calendar years to June 30, 1843, and subsequently by fiscal years commencing July 1st of each year (see Act of August 26, 1842, 5 Statutes, 536).

†For an explanation of this item, see "Notes to Recapitulation", *post*.

Under date of March 31, 1847, the first comptroller of the treasury directed the register to close the specific accounts under the several acts above referred to, with a view of bringing them into one account; and to consolidate and transfer the balances outstanding, amounting in the aggregate to $328,083 14, to a new account under the head of "Treasury notes issued and reimbursed under acts prior to the act of July 22, 1846". This plan has been pursued in this statement with the redemption account.

LOAN OF 1841.

The act of July 21, 1841 (5 Statutes, 438), authorized a loan of not exceeding $12,000,000, at not exceeding 6 per cent. interest, payable quarterly or semi-annually, reimbursable at the will of the Secretary of the Treasury, after six months' notice, or at any time after three years from January 1, 1842; the money borrowed to be used in the redemption of treasury notes and to defray public expenses.

Length of loan, 3 years; redeemable January 1, 1845; amount authorized, $12,000,000; amount issued $5,672,976 88; sold at par; interest, 5⅖, 5½, and 6 per cent., payable semi-annually; final redemption, 1847.

ISSUES.

Year.*	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1841	.....	.....	$3,229,946 86	$2,435,810 02	$5,665,756 88
1842	$7,220 00	.....	.....	.....	7,220 00
Total	.....	.....	.....	.....	5,672,976 88

REDEMPTIONS.

.....	$234,600 00	$383,875 00	$4,912,686 94	$92,732 77	$5,623,894 71
.....	19,782 17	18,300 00	.....	4,000 00	42,082 17
.....	4,000 00	.....	3,000 00	.....	7,000 00
.....	.....	.....	.....	.....	5,672,976 88

*The account of issues, as stated above, is by calendar years, and the redemption account by fiscal years.

Bonds [illegible] interest, as follows: $16,155 at 5½ per cent.; $3,213,791 86 at 5½ per cent. and $[illegible] at [illegible] cent. premium, at the request of subscribers, see H. of R. Ex. Doc. No. 15, 1st sess., 28th Cong., pp. 991-1001. From [illegible] December 31, 1844, the Secretary of the Treasury purchased $490,350 of the 5½ per cent. and $[illegible] at various rates, ranging from $\frac{11}{100}$ to $\frac{75}{100}$ of 1 per cent. above par, the premium paid amounting [illegible].

LOAN OF 1842.

The act of April 15, 1842 (5 Statutes, 475), extended the provisions of the act of July 21, 1841, increasing the amount by $5,000,000, and provided that so much of the loan as was obtained after the passage of the act should be reimbursable, as might be agreed upon at the time of issuing said stock, either at the will of the Secretary of the Treasury after six months' notice, or at any time not exceeding twenty years from January 1, 1843. The stock was not to be sold under par until the same had been advertised a reasonable time and proposals for subscriptions invited.

Length of loan, 20 years; redeemable January 1, 1863; amount authorized, $17,000,000; amount issued, $8,343,886 03; sold at 97.50 to par; interest, 6 per cent., payable semi-annually; final redemption, 1872.

ISSUES.

Year.*	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1842		$1,587,259 69	$701,649 98	$1,129,200 20	$3,418,109 87
1843	$4,883,358 36				4,883,358 36
					8,301,468 23
Discount					42,417 80
Total					8,343,886 03

REDEMPTIONS.

1849		$80,700 00			$80,700 00
1851		137,100 00	$30,395 60		167,495 60
1854	$219,500 00	1,228,504 89	552,485 00	$813,279 73	2,813,769 62
1855	229,500 00	505,425 00	99,500 00	48,100 00	882,525 00
1856	72,900 00	73,700 00	173,021 30	65,600 00	385,221 30
1857	81,130 23	213,977 30	97,125 00	124,307 05	516,539 58
1858	231,420 82	382,850 00			614,270 82
1860			2,348,263 36	227,480 00	2,575,743 36
1864	60,000 00	16,800 00	3,000 00	26,012 30	105,812 30
1865	5,000 00	1,400 00			6,400 00
1866	10,100 00		104,039 77		114,139 77
1867		12,500 00	11,207 04		23,707 04
1868	3,500 00	48,061 64			51,561 64
1869				6,000 00	6,000 00
Total					8,343,886 03

* The account of issues, as stated above, is by calendar years, and the redemption account by fiscal years.

Proposals for this loan were invited April 18, 1842 (H. of R. Ex. Doc. No. 15, 1st sess., 28th Cong., p. 991). $[illegible] was sold at 97.50, the discount, less accrued interest at the time of issue, amounting to $42,417 80. From 1849 to 1863, the Secretary of the Treasury purchased $5,460,521 92 of this stock at various rates, ranging [illegible] per cent above par. The total premium paid (exclusive of commissions) amounted to $729,686 87, as [illegible] $4,100 00 in 1849; $20,865 98 in 1853; $443,198 84 in 1854; $99,002 92 in 1855; $42,441 75 in 1856; [illegible] in 1857, and $91,177 08 in 1858.

LOAN OF 1843.

[illegible] March 1, 1843 (5 Statutes, 611), authorized a loan in lieu of treasury notes authorized by the same [illegible] the opinion of the President, it should be for the interest of the United States; the stock to be issued in [illegible] treasury notes outstanding, under the limitations, restrictions, and provisions contained in the act [illegible] except that no commissions were to be allowed and the stock should be made redeemable at a [illegible] years from the issue thereof.

[illegible] redeemable July 1, 1853; amount authorized, indefinite; amount issued, $7,004,231 35; [illegible] per cent premium; interest, 5 per cent., payable semi-annually; final redemption, 1855.

ISSUES.

Year.*	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]		$6,954,000 00			$6,954,000 00
[illegible]	$[illegible] 00	4,231 35			50,231 35
[illegible]					7,004,231 35

* The account of issues is stated for the calendar year 1843, and for the fiscal year 1844.

REDEMPTIONS.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1845			$400,000 00		$400,000 00
1849		$136,000 00			136,000 00
1852		445,637 50		$300,000 00	745,637 50
1853	$300,000 00	2,772,162 50	598,600 00	626,100 00	4,296,862 50
1854	1,357,931 35		34,900 00	5,000 00	1,397,831 35
1855	25,500 00	900 00	1,500 00		27,900 00
Total					7,004,231 35

Proposals for this loan were invited April 2, 1843. For a list of accepted bids, see Finance Report, 1843, p. 629. The net premium realized on the stock sold amounted to $76,632 35. In 1845 the Secretary of the Treasury purchased $400,000 at an average rate of 3¾ per cent. above par, the premium paid amounting to $14,962 50. In November, 1848, $136,000 was purchased at 1$\frac{2}{1000}$ per cent. below par, the discount amounting to $1,725. In 1852 $15,000 was purchased at an advance of one-fourth of one per cent. and $137,700 at an advance of 1½ per cent., the premium paid amounting to $2,101 37. In 1853 $4,296,862 50 was purchased at various rates from par to 2¼ per cent. advance, the premium paid amounting to $6,268 18.

TREASURY NOTES OF 1846.

The act of July 22, 1846 (9 Statutes, 39), authorized the issue of treasury notes in such sums as the exigencies of the government might require, the amount of this emission outstanding at any one time not to exceed $10,000,000, to bear interest at not exceeding 6 per cent. per annum, and redeemable one year from date. These notes were receivable in payment of all debts due the United States, including customs-duties.

Length of loan, 1 year; redeemable 1 year from date; amount authorized, $10,000,000; amount issued, $7,687,800; sold at par; interest, $\frac{1}{10}$ of 1 per cent. to 5⅘ per cent., payable on redemption; outstanding June 30, 1880, $6,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1847	$1,953,950 00	$2,939,750 00	$2,544,100 00		$7,437,800 00
1848	250,000 00				250,000 00
Total					7,687,800 00

REDEMPTIONS.

1847		$990,450 00	$2,161,350 00	$1,076,550 00	$4,228,350 00
1848	$1,511,500 00	969,350 00	400,750 00	179,400 00	3,061,000 00
1849	107,600 00	47,200 00	89,150 00	35,150 00	279,100 00
1850	32,350 00	28,300 00	21,100 00	6,150 00	87,900 00
1851	4,650 00	1,200 00	3,000 00	750 00	9,600 00
1852	3,650 00	150 00	400 00	4,800 00	9,000 00
1853	550 00	100 00	2,150 00	500 00	3,300 00
1854	650 00	300 00	150 00	100 00	1,200 00
1855		100 00			100 00
1856		100 00		100 00	200 00
1857	100 00	100 00	100 00		300 00
1858	150 00	200 00			350 00
1860		50 00	200 00		250 00
1861				50 00	50 00
1868	100 00				100 00
Unadjusted*					1,000 00
					7,681,800 00
Outstanding June 30, 1880					6,000 00
Total					7,687,800 00

*For an explanation of this item, see "Notes to Recapitulation", *post*.

LOAN OF 1846.

The act of July 22, 1846 (9 Statutes, 40), which provided for the issue of treasury notes, authorized the ent, if in his opinion it should be for the interest of the United States so to do, instead of issuing the whole f treasury notes, to borrow such an amount of money as he might deem proper, in the same form and

TREASURY NOTES OF 1847.

The act of January 28, 1847 (9 Statutes, 118), authorized the issue of $23,000,000 in treasury notes, with interest at not exceeding 6 per cent. per annum, or the issue of stock for any portion of the amount, with interest at 6 per cent. per annum. The treasury notes under this act were redeemable at the expiration of one or two years, and the interest was to cease at the expiration of sixty days' notice. These notes were receivable in payment of all debts due the United States, including customs-duties.

Length of loan, 1 and 2 years; redeemable 1 and 2 years from date; amount authorized, $23,000,000; amount issued (including reissues), $26,122,100; sold at par; interest, 5⅔ and 6 per cent., payable on redemption; outstanding June 30, 1880, $950.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1847			$3,671,350 00	$8,699,800 00	$12,371,150 00
1848	$4,225,800 00	$1,592,500 00	3,672,650 00	2,466,000 00	11,956,950 00
1849	1,126,000,00	668,000 00			1,794,000 00
Total					26,122,100 00

REDEMPTIONS.

1847			$99,800 00	$1,032,750 00	$1,132,550 00
1848	$730,850 00	$1,966,950 00	5,813,500 00	1,326,100 00	9,837,400 00
1849	3,156,250 00	1,852,300 00	3,415,350 00	2,957,600 00	11,381,500 00
1850	809,200 00	476,650 00	1,922,200 00	350,950 00	3,559,000 00
1851	110,950 00	72,500 00	4,750 00	2,700 00	190,900 00
1852	8,900 00	2,950 00	300 00	150 00	12,300 00
1853	5,150 00	550 00	50 00	200 00	5,950 00
1854			100 00	450 00	550 00
1855		100 00			100 00
1858				850 00	850 00
1861		100 00			100 00
1865				250 00	250 00
1867			50 00		50 00
					26,121,500 00
Unadjusted*					350 00
					26,121,150 00
Outstanding June 30, 1880					950 00
Total					26,122,100 00

*For an explanation of this item, see "Notes to Recapitulation", *post*.

LOAN OF 1847.

The act of January 28, 1847 (9 Statutes, 118), authorized the issue of $23,000,000 in treasury notes, with interest at not exceeding 6 per cent. per annum, or the issue of stock for any portion of the amount, with interest at 6 per cent. per annum, reimbursable after December 31, 1867. Section 14 authorized the conversion of treasury notes under this or any preceding act into like stock, which accounts for the apparent overissue.

Length of loan, 20 years; redeemable January 1, 1868; amount authorized, $23,000,000; amount issued, $28,230,350; sold at rates varying from 1¼ to 2 per cent. premium; interest, 6 per cent., payable semi-annually; outstanding June 30, 1880, $1,250.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1847			$898,700 00	$3,276,600 00	$4,175,300 00
1848	$2,328,278 00	$2,701,450 00	1,731,722 00	2,177,300 00	8,938,750 00
1849	2,472,550 00	2,066,650 00	3,668,000 00	2,986,600 00	11,193,800 00
1850	839,450 00	504,100 00	1,944,400 00	358,950 00	3,646,900 00
1851	116,050 00	74,250 00	9,400 00	3,700 00	203,400 00
1852	13,150 00	3,400 00	2,400 00	27,350 00	46,300 00
1853	10,250 00	800 00	2,450 00	2,850 00	16,350 00
1854	650 00	350 00	300 00	650 00	1,950 00
1855		650 00	150 00		800 00
[illegible]		100 00		100 00	200 00
[illegible]	350 00	500 00	2,050 00	1,000 00	3,900 00
[illegible]	150 00			850 00	1,000 00
[illegible]		100 00			100 00
[illegible]		1,500 00	100 00		1,600 00
[illegible]					28,230,350 00

REDEMPTIONS.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1849				$408,100 00	$408,100 00
1851	$430,250 00				430,250 00
1852		$1,070,450 00			1,070,450 00
1853		1,102,300 00	$174,800 00	391,550 00	1,668,650 00
1854	1,106,600 00	3,711,150 00	849,150 00	2,227,050 00	7,893,950 00
1855	847,450 00	2,001,950 00	466,250 00	246,500 00	3,562,150 00
1856	11,600 00	198,050 00	351,200 00	460,750 00	1,021,600 00
1857	106,200 00	419,450 00	161,800 00	312,550 00	1,000,000 00
1858	459,650 00	1,300,300 00			1,759,950 00
1867		1,801,750 00	211 800 00	205,500 00	2,219,050 00
1868	290,850 00	10,000 00	5,726,700 00	404,300 00	6,431,850 00
1869	485,500 00	138,800 00	81,200 00	21,700 00	727,200 00
1870	16,500 00	5,700 00	1,800 00		24,000 00
1871	10,000 00	1,000 00			11,000 00
1872	200 00	300 00			500 00
1874			400 00		400 00
					28,229,100 00
Outstanding June 30, 1880					1,250 00
Total					28,230,350 00

Proposals for this loan were invited February 9, 1847. For a list of accepted bids, see Finance Report, 1847, p. 215. The premium realized from 1847 to 1850 on a portion of the stock issued amounted to $74,884 98. From 1849 to 1858 the Secretary of the Treasury purchased $18,815,100 of this stock at various rates, ranging from $1\frac{25}{100}$ to $21\frac{53}{100}$ per cent. above par. The total premium paid (exclusive of commissions) amounted to $3,466,106 90, as follows: $59,965 69 in 1849; $69,255 70 in 1851; $167,999 55 in 1852; $324,565 33 in 1853; $1,659,018 64 in 1854; $580,379 15 in 1855; $163,381 08 in 1856; $159,949 76 in 1857; and $281,592 in 1858.

In 1869 the redemption on account of this loan is stated in the Receipts and Expenditures as $764,750. Add to this $5,500, erroneously charged to the "loan of 1848", and deduct $43,050, erroneously charged to this loan, which should have been charged to the "loan of 1848", and the result is $727,200, the true amount redeemed in 1869 (report No. 6391, January 25, 1869).

BOUNTY-LAND SCRIP.

The ninth section of the act of February 11, 1847 (9 Statutes, 125), provides "That each non-commissioned officer, musician, or private, enlisted or to be enlisted in the regular army, or regularly mustered in any volunteer company for a period of not less than twelve months, who has served or may serve during the present war with Mexico, and who shall receive an honorable discharge, or who shall have been killed, or died of wounds received or sickness incurred in the course of such service, or who shall have been discharged before the expiration of his term of service in consequence of wounds received or sickness incurred in the course of such service, shall be entitled to receive a certificate or warrant from the War Department for the quantity of one hundred and sixty acres, and which may be located by the warrantee, or his heirs-at-law, at any land office of the United States, in one body, and in conformity to the legal subdivisions of the public lands, upon any of the public lands in such district then subject to private entry; and upon the return of such certificate or warrant, with evidence of the location thereof having been legally made, to the General Land Office, a patent shall be issued therefor.

* * * * * * *

"*Provided*, That every such non-commissioned officer, musician, and private who may be entitled, under the provisions of this act, to receive a certificate or warrant for one hundred and sixty acres of land, shall be allowed the option to receive such certificate or warrant or a treasury scrip for one hundred dollars, and such scrip, whenever it is preferred, shall be issued by the Secretary of the Treasury to such person or persons as would be authorized to receive such certificates or warrants for lands; said scrip to bear an interest of six per cent. per annum, payable semi-annually, redeemable at the pleasure of the government." The interest on this stock ceased July 1, 1849.

Length of loan, indefinite; redeemable at the pleasure of the government; amount authorized, indefinite; amount issued, $233,075; sold at par; interest, 6 per cent., payable semi-annually; outstanding June 30, 1880, $3,275.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1847				$11,650 00	$11,650 00
1848	$38,325 00	$42,875 00	$17,925 00	45,150 00	144,275 00
1849	12,500 00	13,175 00	12,975 00	23,200 00	72,1 [illegible]
Total					[illegible]

REDEMPTIONS.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1850	*$100 00			*$100 00	$200 00
1851	206,700 00			*100 00	206,800 00
1852			*$100 00		100 00
1853	14,375 00				14,375 00
1854	2,925 00	$525 00	600 00	300 00	4,350 00
1855	100 00	100 00	200 00	325 00	725 00
1856		800 00	225 00		1,025 00
1857	100 00	100 00		200 00	400 00
1858		225 00		100 00	325 00
1859			100 00	200 00	300 00
1860	100 00			100 00	200 00
1866		100 00			100 00
1867				100 00	100 00
1870			100 00		100 00
1872			50 00	25 00	75 00
1873			300 00		300 00
1874	100 00			100 00	200 00
1878				100 00	100 00
1880		25 00			25 00
					229,800 00
Outstanding June 30, 1880					3,275 00
Total					233,075 00

*Certificates to the amount of $400 were canceled, having been improperly obtained.

This stock having been issued as bounty to soldiers, no money ever came into the treasury on this account, and the money for its redemption has been provided from the general funds in the treasury.

LOAN OF 1848.

The act of March 31, 1848 (9 Statutes, 217), authorized a loan of not exceeding $16,000,000, at an interest not exceeding 6 per cent. per annum, payable quarterly or semi-annually, reimbursable at any time after twenty years from July 1, 1848; no stock to be sold below par.

Length of loan, 20 years; redeemable July 1, 1868; amount authorized, $16,000,000; amount issued, $16,000,000; sold at rates varying from 3.02 to 4.05 per cent. premium; interest, 6 per cent., payable semi-annually; final redemption, December 31, 1872.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1849	$6,528,650 00	$4,865,500 00	$3,181,350 00	$2,025,450 00	$15,600,950 00
1850	399,050 00				399,050 00
Total					16,000,000 00

REDEMPTIONS.

1849		$260,000 00			$260,000 00
1853		62,450 00	$47,400 00	$83,450 00	193,300 00
1854	$335,258 20	1,068,050 00	536,900 00	716,750 00	2,656,958 20
1855	172,550 00	383,250 00	169,850 00	123,000 00	848,650 00
1856	22,300 00	240,400 00	161,600 00	374,400 00	798,700 00
1857	208,100 00	436,900 00	80,450 00	172,700 00	898,150 00
1858	911,900 00	524,000 00			1,435,900 00
1867		738,400 00	73,000 00	75,000 00	886,400 00
1868	209,350 00	17,000 00			226,350 00
1869	6,720,850 00	785,591 80	153,200 00	44,800 00	7,704,441 80
1870	21,300 00	11,150 00	1,000 00	14,000 00	47,450 00
1871	18,800 00				18,800 00
1872				19,400 00	19,400 00
1873		5,500 00			5,500 00
Total					16,000,000 00

Proposals for this loan were invited April 17, 1848. For a list of accepted bids, see Finance Report, December 0, 00. The net premium realized on the whole amount of stock issued was $487,191 16. From 1849 to 1858, the Secretary of the Treasury purchased $7,001,658 20 of this stock at various rates, ranging from 8 1/4

to 22$\frac{46}{100}$ per cent. above par. The total premium paid (exclusive of commissions) amounted to $1,251,258 04, as follows: $21,281 25 in 1849; $37,706 50 in 1853; $552,590 18 in 1854; $138,672 91 in 1855; $127,580 90 in 1856; $143,682 30 in 1857; and $229,744 in 1858.

In 1869 the redemption on account of this loan is stated in the Receipts and Expenditures as $7,666,891 80. Add to this $43,050, erroneously charged to the "loan of 1847", and deduct $5,500, erroneously charged to this loan, which should have been charged to the "loan of 1847", and the result is $7,704,441 80, the true amount redeemed in 1869 (report No. 6391, January 25, 1869).

TEXAS INDEMNITY STOCK.

The act of September 9, 1850 (9 Statutes, 447), authorized the issue of $10,000,000 stock, with interest at 5 per cent. per annum, to the state of Texas, in satisfaction of all claims against the United States arising out of the annexation of the said state. The stock was to be redeemable at the end of fourteen years.

Length of loan, 14 years; redeemable January 1, 1865; amount authorized, $10,000,000; amount issued, $5,000,000; sold at par; interest, 5 per cent., payable semi-annually (January and July); outstanding June 30, 1880, $21,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1851			$5,000,000 00		$5,000,000 00
Total					5,000,000 00

REDEMPTIONS.

1854		$201,000 00	$97,000 00	$222,000 00	$520,000 00
1855	$90,000 00	254,000 00	38,000 00	2,000 00	384,000 00
1856		146,000 00	163,000 00	155,000 00	464,000 00
1857			2,000 00	141,000 00	143,000 00
1858	9,000 00	19,000 00			28,000 00
1864				992,000 00	992,000 00
1865		427,000 00		1,222,000 00	1,649,000 00
1866	94,000 00		105,000 00	53,000 00	252,000 00
1867		174,000 00	78,000 00	49,000 00	301,000 00
1868	4,000 00		7,000 00		11,000 00
1869			4,000 00		4,000 00
1870	10,000 00				10,000 00
1871				61,000 00	61,000 00
1872	7,000 00				7,000 00
1875	2,000 00				2,000 00
1876		151,000 00			151,000 00
					4,979,000 00
Outstanding June 30, 1880					21,000 00
Total					5,000,000 00

From 1854 to 1858, inclusive, the Secretary of the Treasury purchased $1,539,000 of this stock at various rates, ranging from 5$\frac{14}{100}$ to 12 per cent. above par. The total premium paid (exclusive of commissions) amounted to $117,534 26, as follows: $56,180 60 in 1854; $23,760 in 1855; $27,838 91 in 1856; $8,074 75 in 1857; and $1,680 in 1858. In the receipts and expenditures for 1865 the amount of this stock redeemed that year is stated as $1,631,889 38. To this should be added $17,080, being a discount of 4 per cent. on $427,000, and also $14 73, discount on $5,000, and $15 89, discount on $8,000, erroneously charged to "interest on the public debt", thus making the true amount redeemed in 1865 $1,649,000, as stated above. This stock having been issued in settlement of claims assumed by the United States, no money ever came into the treasury on this account, and the money for its redemption has been provided from the general funds in the treasury.

TREASURY NOTES OF 1857.

The act of December 23, 1857 (11 Statutes, 257), authorized the issue of treasury notes for such an amount as the exigencies of the public service might require, but not to exceed at any time $20,000,000. The first issue was limited to $6,000,000, at such rate of interest as should be expressed in said notes, and the remainder with interest at the lowest rate offered by bidders, which in no case should exceed 6 per cent. per annum. These notes were redeemable at the expiration of one year, and interest was to cease at the expiration of sixty days' notice after maturity. They were receivable in payment of all debts due the United States, including customs duties.

Length of loan, 1 year; redeemable 1 year from date of issue; amount authorized, indefinite; amount issued, $52,778,900; sold at par; interest at various rates from 3 to 6 per cent., payable on redemption; outstanding June 30, 1880, $1,700.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1858			$11,087,600 00	$12,628,700 00	$23,716,300 00
1859	$405,200 00	$1,122,000 00	160,000 00	7,980,200 00	9,667,400 00
1860	3,611,300 00	4,064,500 00	5,588,200 00	6,131,200 00	19,395,200 00
Total					52,778,900 00

REDEMPTIONS.

1858			$403,600 00	$3,235,700 00	$3,639,300 00
1859	$994,000 00	$644,300 00	3,043,300 00	9,998,500 00	14,680,100 00
1860	4,414,500 00	1,864,300 00	2,190,300 00	5,381,600 00	13,850,700 00
1861	375,400 00	6,975,900 00	8,027,200 00	2,690,700 00	18,069,200 00
1862	1,836,100 00	203,300 00	426,900 00	1,800 00	2,468,100 00
1863	14,300 00	200 00	33,300 00	10,800 00	58,600 00
1864	800 00	700 00	500 00		2,000 00
1865	1,000 00	100 00			1,100 00
1866	200 00				200 00
1868			100 00		100 00
1869			100 00		100 00
1870			300 00	100 00	400 00
1871	5,100 00				5,100 00
1875			100 00		100 00
1878				100 00	100 00
1879		100 00			100 00
					52,775,300 00
Unadjusted*					1,900 00
Outstanding June 30, 1880					1,700 00
Total					52,778,900 00

*For an explanation of this item, see "Notes to Recapitulation", *post*.

Notes were issued under this act, bearing interest as follows: $6,323,600 at 3 per cent.; $107,000 at 3½ per cent.; $110,000 at 3¾ per cent.; $768,000 at 4 per cent.; $688,000 at 4¼ per cent.; $10,055,700 at 4½ per cent.; $4,532,500 at 4¾ per cent.; $7,533,900 at 5 per cent.; $8,204,500 at 5½ per cent.; $3,514,100 at 5¾ per cent.; and $10,941,600 at 6 per cent.; making a total of $52,778,900.

The amount of these notes redeemed in 1861, as stated in the Receipts and Expenditures, was $18,080,150. Deduct from this $10,950, "treasury notes of 1861," erroneously charged to this loan, and the result is $18,069,200, the true amount redeemed in 1861 (report No. 9641, warrant No. 4677½, June 29, 1861). The amount redeemed in 1862, as stated in the Receipts and Expenditures, was $2,568,100. Deduct from this $100,000, "notes of 1861," erroneously charged to this loan, and the result is $2,468,100, the true amount redeemed in 1862 (report No. 9700, warrant No. 4789, September 13, 1861). The amount redeemed in 1868, as stated in the Receipts and Expenditures, was $200. Deduct from this $100, "treasury notes of 1860," erroneously charged to this loan, and the result is $100, the true amount redeemed in 1868 (report No. 22709, warrant No. 18, January 8, 1868).

LOAN OF 1858.

The act of June 14, 1858 (11 Statutes, 365), authorized a loan of $20,000,000, with interest at not exceeding 5 per cent. per annum, and redeemable at any time after January 1, 1874. The stock was required to be issued in certificates of not less than $1,000 each, with interest coupons attached. The act of March 3, 1859, section 6 (11 Statutes, 430), authorized the issue of coupon or registered stock, as the purchaser might elect.

Length of loan, 15 years; redeemable January 1, 1874; amount authorized, $20,000,000; amount issued, $20,000,000; sold at an average premium of $3\frac{59}{100}$ per cent.; interest, 5 per cent., payable semi-annually (January and July); outstanding June 30, 1880, $8,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1859	$10,000,000 00		$8,535,000 00	$965,000 00	$19,500,000 00
1860	210,000 00	$60,000 00	1,110,000 00		1,380 00
Total					

REDEMPTIONS.

1874		$1,012,000 00	$12,5
1875	$49,000 00	65,000 00	
1876		2,000 00	
1879			
1880	40,000 00		
Outstanding June 30, 1880			
Total			

...ing for $10,000,000 at each date.
... and Expenditures, amounted to

...e used in redemption of
... less than ten nor more

...000; amount issued, ... payable semi-annually;

				Fourth quarter.	Total.
					$7,022,000 00
					7,022,000 00
				$23,000 00	$6,973,000 00
					39,000 00
					7,012,000 00
					10,000 00
					7,022,000 00

... Finance Report for 1860, pp. ... receipts and Expenditures, amounted ...

...

The ... authorized the issue of treasury notes for ... amounting to $10,000,000, ... redeemable at the expiration ... to bear interest ... issue of such portion of these notes ... such rate of interest as might be ... responsible bidders, ...

... amount authorized, $10,000,000; amount issued, including ..., $10,010,000; ... interest, ... per cent., payable on redemption; final redemption, 1868.

...

Fiscal year	...	Second quarter.	Third quarter.	Fourth quarter.	Total.
...		...	...	...	$10,010,900 00
Total					10,010,900 00

REDEMPTIONS.

			$60,200 00	$8,150 00	$68,350 00
...		$4,9... 00	4,504,750 00	...	9,933,750 00
...	$4,... 00	100 00	2,600 00	700 00	8,200 00
...		...	100 00	500 00	600 00
...			...	...	10,010,900 00
Total					

The amount of these notes redeemed in 1867, as stated in the Receipts and Expenditures, was $9,936,150. ...added from this $2,400, ... treasury notes of 1861", erroneously charged to this loan, and the result is $9,933,750, ... amount redeemed in 1867: report No. 9837, warrant No. 4874; report No. 9838, warrant No. 4874*a*; ... No. 1900, warrant No. 7413. The amount redeemed in 1868, as stated in the Receipts and Expenditures, ... $400 ... vid on ... $100, erroneously charged to "treasury notes of 1857", and the result is $600, the true ... redeemed in 1868: report No. 12700, warrant No. 18. Note No. 258, for $500, alleged to have been ... redeemed on a bond of indemnity: warrant No. 7924, report No. 12513, June 17, 1863). Afterward a ... with name and number probably changed, bearing the No. 134, was redeemed as No. 258 (report No. 23187, ... 1868), the original No. 134 having been redeemed in 1862 (report No. 9974); it is evident from this that ... No. 258 has been twice paid: warrant case, No. 687).

LOAN OF FEBRUARY, 1861.

The act of February 8, 1861 (12 Statutes, 129), authorized a loan of $25,000,000, with interest at not exceeding 6 per cent. per annum, reimbursable in not less than ten nor more than twenty years from the date of the act.

Length of loan, 10 or 20 years; redeemable December 31, 1880; amount authorized, $25,000,000; amount issued, $18,415,000; sold at an average rate of 89.03 per cent.; interest, 6 per cent., payable semi-annually (January and July); outstanding June 30, 1880, $15,578,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1861			$7,243,275 35	$9,096,691 05	$16,339,966 40
1862	$55,257 50				55,257 50
					16,395,223 90
Discount					2,019,776 10
Total					18,415,000 00

REDEMPTIONS.

1880			$1,129,000 00	$1,708,000 00	$2,837,000 00
Outstanding June 30, 1880					15,578,000 00
Total					18,415,000 00

Proposals for this loan were invited February 13, March 26, and May 11, 1861. For a list of bids, see Finance Report of July 4, 1861. Stock was issued as follows: $8,006,000 at an average rate of $90 47$\frac{8}{10}$; $3,099,000 at an average rate of $94 01; and $7,310,000 at an average rate of $85 34$\frac{27}{100}$ per $100.

TREASURY NOTES OF 1861.

The act of March 2, 1861 (12 Statutes, 178), authorized a loan of $10,000,000, with interest at not exceeding 6 per cent. per annum, redeemable on three months' notice after July 1, 1871, and payable July 1, 1881. If proposals for the loan were not satisfactory, authority was given to issue the whole amount in treasury notes, with interest at not exceeding 6 per cent. per annum. The same act gave authority to substitute treasury notes for the whole or any part of loans authorized at the time of the passage of this act. These notes were to be received in payment of all debts due the United States, including customs-duties, and were redeemable at any time within two years from the date of the act.

Length of loan, 60 days and 2 years; redeemable 60 days and 2 years from date; amount authorized, indefinite; amount issued, $35,364,450; sold at rates ranging from par to 1$\frac{27}{100}$ per cent. premium; interest 6 per cent., payable on redemption; outstanding June 30, 1880, $3,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1861				$8,488,843 34	$8,488,843 34
1862	$26,855,384 66	$18,600 00			26,873,984 66
1863	1,500 00		$122 00		1,622 00
Total					35,364,450 00

REDEMPTIONS.

1861				$597,000 00	$597,000 00
1862	$10,641,500 00	$12,430,050 00	$6,844,550 00	792,450 00	30,708,550 00
1863	22,550 00	33,300 00	116,950 00	1,971,550 00	2,144,350 00
1864	104,350 00	1,614,000 00	74,650 00	70,400 00	1,863,400 00
1865	10,450 00	1,500 00	7,200 00	24,400 00	43,550 00
1866	1,200 00	400 00		400 00	2,000 00
1867	350 00	50 00			400 00
1868	100 00		50 00		150 00
1870	350 00	50 00		50 00	450 00
1872			50 00		50 00
1876				50 00	50 00
1877		50 00		50 00	100 00
Unclassified*					1,400 00
ending June 30, 1880					3,000 00
					35,364,450 00

* For an explanation of this item, see "Notes to Recapitulation", post.

proposals for $1,901,000 of this loan were invited April 6, 1861. For a list of bids, see Finance Report, July 4, [illegible] sum of $114 70 was realized as premium on a small portion of the earlier issues. The cash received [illegible] into the treasury on account of this loan in 1862 is stated at $26,918,884 66 (Receipts and Expenditures [illegible] pp. 22–24). Deduct from this $44,900, received on account of "seven-thirties of 1861", but erroneously [illegible] to this loan (per warrants Nos. 268 and 269, September 30, 1861), and the result is $26,873,984 66, the true [illegible] received in 1862. The amount redeemed on account of this loan in 1861 is stated at $586,050 (Receipts and [illegible] for 1861, p. 77). Add to this $10,950, erroneously charged as "notes of 1857" (warrant No. 4677½, [illegible] 9611, June 29, 1861), and the result is $597,000, the true amount redeemed in 1861. The amount [illegible] in 1862 on account of this loan is stated at $30,606,150 (Receipts and Expenditures for 1862, p. 39). Add [illegible] $100,000, erroneously charged as "notes of 1857" (warrant No. 4789, report No. 9700, September 13, 1861), [illegible] 400 erroneously charged as "notes of 1860" (warrants Nos. 4874, 4874*n*, and 7442, reports Nos. 9822, 9858, [illegible], September 30, 1861, and February 27, 1862), and the result is $30,708,550, the true amount redeemed in [illegible].

OREGON WAR DEBT.

The act of March 2, 1861 (12 Statutes, 198), appropriated $2,800,000 for the payment of expenses incurred by [illegible] territories of Washington and Oregon in the suppression of Indian hostilities in the years 1855 and 1856. [illegible] 4 of the act authorized the Secretary of the Treasury, if he should deem it expedient, to issue to the [illegible] or their legal representatives, bonds of the United States of denominations not less than fifty dollars; [illegible] redeemable in twenty years; and bearing interest at 6 per cent. per annum, payable upon coupons, annually or semi-[illegible] in the discretion of the Secretary.

Length of loan, 20 years; redeemable July 1, 1881; amount authorized, $2,800,000; amount issued, $1,090,850; [illegible] of par; interest, 6 per cent., payable semi-annually (January and July); outstanding June 30, 1880, $742,450.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
[illegible]	$21,850 00	$483,000 00	$297,000 00	$198,850 00	$1,000,700 00
[illegible]	90,150 00				90,150 00
[illegible]					1,090,850 00

REDEMPTIONS.

[illegible]		$64,250 00	$5,300 00		$69,550 00
[illegible]	$5,300 00				5,300 00
[illegible]				$71,000 00	71,000 00
[illegible]		123,700 00	56,050 00	22,800 00	202,550 00
[illegible]					348,400 00
Outstanding June 30, 1880					742,450 00
[illegible]					1,090,850 00

The cash received and covered into the treasury on account of this loan in 1863 is stated at $145,050 (Receipts and Expenditures for 1863, p. 22). Deduct from this $54,900 erroneously credited to this loan, but for which "five-[illegible] of 1862" were issued, in exchange for "Oregon War Certificates" Nos. 657 to 670, inclusive (see Register's [illegible] Nos. 1001 to 1030, August and September, 1862), and the result is $90,150, the true amount received [illegible].

LOAN OF JULY AND AUGUST, 1861.

The act of July 17, 1861 (12 Statutes, 259), authorized the issue of $250,000,000 in bonds, with interest at not [illegible] per centum per annum, redeemable after twenty years. The act of August 5, 1861 (12 Statutes, 313), [illegible] the issue of bonds, with interest at 6 per cent. per annum, payable at the pleasure of the government [illegible] years from date, in exchange for 7-30 notes issued under the act of July 17, 1861. None of such bonds [illegible] issued for a sum less than $500, and the whole amount of them was not to exceed the whole amount of [illegible] issued under the above act.

[illegible] of loan, 20 years; redeemable at the pleasure of the government after June 30, 1881; amount authorized, [illegible]; amount issued, $189,321,350; sold at par; interest, 6 per cent., payable semi-annually (January and [illegible] outstanding June 30, 1880, $157,257,100.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862		$24,286,478 48	$20,374,753 43		$44,661,231 91
1863				$76,500 00	76,500 00
1864	$241,500 00	479,599 52	1,594,675 93	28,250,100 00	30,565,875 45
1865	78,963,524 55	17,561,900 00	12,002,900 00	46,200 00	108,574,524 55
1866	10,000 00	13,650 00	36,100 00	13,150 00	72,900 00
1867	6,050 00	2,150 00	4,700 00	750 00	13,650 00
1868	700 00	500 00	550 00	50 00	1,800 00
1869	2,000 00	10,150 00			12,150 00
1870	200 00		500 00		700 00
1872	3,100 00				3,100 00
1873		150 00			150 00
					183,982,581 91
Discount					5,338,768 09
Total					189,321,350 00

REDEMPTIONS.

1880		$6,796,000 00	$11,065,850 00	$14,202,400 00	$32,064,250 00
Outstanding June 30, 1880					157,257,100 00
Total					189,321,350 00

The amount of bonds of this loan issued under the authority of the first section of the act of July 17, 1861, was $50,000,000, and the remainder, amounting to $139,321,350, was issued in exchange for 7-30s, as authorized by the first section of the act of August 5, 1861.

The cash received and covered into the treasury on account of this loan in 1862 is stated at $46,303,129 17 (Receipts and Expenditures for 1862, p. 22). Deduct from this $7,650 35 (misc. cov. warrant No. 337, December 31, 1861), and $500,000 (misc. cov. warrant No. 242, March 31, 1862) received on account of "seven-thirties of 1861", but erroneously credited to this loan. Deduct also 34 cents, error in subscription of the Associate Banks, Boston (misc. cov. warrants Nos. 333 and 348, December 31, 1861), and $1,134,246 57, accrued interest, and the result is $44,661,231 91, the true sum received as principal. This amount represents the proceeds of $50,000,000 of bonds sold at a price equivalent to 7 per cent. bonds at par. The cash received and covered into the treasury on account of this loan in 1865 is stated at $108,573,524 55 (Receipts and Expenditures for 1865, p. 38). Add to this $1,000, principal erroneously covered as interest (warrant No. 587, December 31, 1864), and the result is $108,574,524 55, the true amount received.

OLD DEMAND NOTES.

The act of July 17, 1861 (12 Statutes, 259), authorized the issue of $50,000,000 treasury notes, not bearing interest, of a less denomination than fifty dollars and not less than ten dollars, and payable, on demand, by the assistant treasurers at Philadelphia, New York, or Boston. The act of August 5, 1861 (12 Statutes, 313), authorized the issue of these notes in denomination of five dollars; it also added the offices of assistant treasurer at Saint Louis and the designated depositary at Cincinnati to the places where these notes were made payable. The act of February 12, 1862 (12 Statutes, 338), authorized an increase of $10,000,000 in the amount of demand notes.

Length of loan, indefinite; redeemable on demand; amount authorized, $60,000,000; amount issued, including reissues, $60,030,000; sold at par; interest, none; outstanding June 30, 1880, $60,975.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862	$15,620,000 00	$18,480,000 00	$25,900,000 00	$30,000 00	$60,030,000 00
Total					60,030,000 00

REDEMPTIONS.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1861				$58,610 00	$58,610 00
1862	$27,682,490 00	$16,163,900 00	$10,750,000 00	1,581,000 00	56,177,390 00
1863	1,258,500 00	967,742 25	392,095 25	274,090 00	2,892,427 50
1864	243,245 00	102,495 00	5,350 00	19,500 00	370,590 00
1865	62,533 25		66,825 00	111,452 50	240,810 75
1866	21,788 00	46,692 00	13,250 25		81,730 25
1867	40 50	10,735 00	1,380 00	13,535 00	25,690 50
1868	4,168 25	11,945 00	1,885 00	2,474 50	20,472 75
1869	9,095 75	40,075 00	3,477 50	3,365 00	56,013 25
1870	2,285 00	2,885 00	2,465 00	2,115 50	9,750 50
1871	3,449 25	255 00	1,895 00	2,610 00	8,209 25
1872	2,143 75	1,765 00	1,700 00	2,720 00	8,328 75
1873	225 00	105 00	2,800 00	105 00	3,235 00
1874	1,325 00	3,090 00	335 00	1,875 00	6,625 00
1875	275 00	190 00	1,245 00	1,480 00	3,190 00
1876	185 00	1,270 00	370 00	1,130 00	2,955 00
1877	240 00	190 00	1,190 00	45 00	1,665 00
1878	217 50	45 00	110 00	455 00	827 50
1879	60 00	60 00	155 00	220 00	495 00
					59,969,025 00
Outstanding June 30, 1880					60,975 00
Total					60,030,000 00

In 1866 the amount redeemed on account of this loan during the year, is stated at $258,810 75 (Receipts and Expenditures, 1866, p. lxi). Deduct from this $18,000, erroneously covered into the treasury as a "miscellaneous receipt" (warrant No. 367, 3d quarter, 1865), that amount being a part of $37,106 84, proceeds of securities recovered in 1865 from a defaulter, who had abstracted $18,000 of redeemed notes when they were being destroyed by burning. The loan having already received credit for the destruction of these notes which were thus put into circulation a second time, it should have been charged with the amount when it was recovered (Treasurer's letter to the Secretary, November 1; Secretary's letter to the first comptroller, December 22, 1870).

SEVEN-THIRTIES OF 1861.

The act of July 17, 1861 (12 Statutes, 259), authorized the Secretary of the Treasury to borrow on the credit of the United States, within twelve months from the passage of the act, a sum not exceeding $250,000,000, or so much thereof as he might deem necessary for the public service, for which he was authorized to issue coupon or registered bonds, or treasury notes, in such proportions of each as he might deem advisable; the bonds to be irredeemable for twenty years, and after that period redeemable at the pleasure of the United States, and to bear interest at a rate not exceeding 7 per cent. per annum; the treasury notes to be of any denomination fixed by the Secretary of the Treasury, not less than $50, payable three years after date, with interest at the rate of $7\frac{3}{10}$ per cent. per annum, payable semi-annually.

Length of loan, 3 years; redeemable August 19 and October 1, 1864; amount authorized, indefinite; amount issued, $139,999,750; sold at an average premium of $\frac{465}{1000}$ of 1 per cent.; interest, $7\frac{3}{10}$ per cent., payable semi-annually; outstanding June 30, 1880, $16,600.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862	$5,777,086 85	$91,790,678 27	$11,170,508 24	$13,997,936 64	$122,736,209 00
1863	3,550,000 00	13,713,450 00			17,263,450 00
Total					139,999,750 00

REDEMPTIONS.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1863	$2,000 00	$50,000 00		$19,500 00	$71,500 00
1864	6,000 00		$681,500 00		687,500 00
1865	106,315,100 00	2,759,250 00	14,950 00	29,321,750 00	138,411,050 00
1866	85,150 00	62,200 00	82,900 00	548,900 00	779,150 00
1867	20,950 00	9,150 00	3,050 00	7,950 00	41,100 00
1868	5,850 00	2,350 00	1,700 00	3,900 00	13,800 00
1869	700 00	5,650 00	2,850 00	2,300 00	11,500 00
1870	1,050 00	400 00	650 00	500 00	2,600 00
1871	6,200 00	250 00	50 00	100 00	6,600 00
1872	3,100 00				3,100 00
1873	400 00	150 00		100 00	650 00
1874	100 00		50 00		150 00
1875			2,100 00		2,100 00
1876	50 00				50 00
1877			150 00	50 00	200 00
1878		50 00			50 00
1879	100 00			100 00	200 00
					140,031,300 00
Unadjusted*					48,150 00
					139,983,150 00
Outstanding June 30, 1880					16,600 00
Total					139,999,750 00

*For an explanation of this item, see "Notes to Recapitulation", *post*.

The cash received and covered into the treasury in 1862 and 1863 on account of this loan is stated at $183,676,035 34 (Receipts and Expenditures, 1862, p. 22; 1863, p. 22). In the examination of this account, several discrepancies have been discovered, and corrections have been made as follows: To the amount before stated has been added $30,400 (part of warrants Nos. 268 and 269, 3d quarter, 1861), erroneously covered as "sixty day" "treasury notes of 1861"; also, $2 04 (part of warrant No. 258, 4th quarter, 1861), principal erroneously covered as interest, part of a certificate in favor of G. W. Dulach; also, $500,000 (part of warrant No. 219, 1st quarter, 1862), erroneously covered to the "loan of July and August, 1861"; also, $200,000 (part of warrant No. 231, 3d quarter, 1862), erroneously covered as "five-twenties of 1862"; also, $50, being an amount found short in the account of N. W. Goodhue, subscription agent (see agency book); also, $3,865, amount of principal erroneously covered as interest by different warrants (see agency book); also, $75 (part of warrant No. 611, 3d quarter, 1868), erroneously covered as a "miscellaneous receipt". These additions make an aggregate total of $184,410,427 38, from which has been made the following deductions: $44,375,000, being the amount deposited by the "Associate Banks" on account of this loan, but returned to them in money; also, $3,600 on account of "sixty day" "treasury notes of 1861", erroneously covered to this loan; also, $56 17 (part of warrant No. 328, 3d quarter, 1861), $42 85 (part of warrant No. 265, 3d quarter, 1861, certificate of deposit No. 3657), $200 (part of several warrants), these three items being on account of interest erroneously covered as principal (see agency book); and $31,778 36 yet remaining unadjusted, awaiting investigation as to the particular source from whence derived. These corrections, amounting in the aggregate to $44,410,677 38, deducted from the whole amount credited, will leave the total issue $139,999,750. The $50,000 represented by misc. cov. warrant No. 264, 4th quarter, 1862, was a deposit on redemption of ten $5,000 bonds (warrant No. 6929, December 18, 1862), to effect an exchange for one hundred $500 bonds, thus increasing the scale numbers, but not the actual issue. There was also $45,000 in notes received by the treasurer, and not issued, but returned to the register as statistical. These differences, amounting to $95,000, will account for an apparent excess of issues to this extent, as shown by prior reports. The premium realized on this loan amounted to $650,324 44.

FIVE-TWENTIES OF 1862.

The act of February 25, 1862 (12 Statutes, 345), for the purpose of enabling the Secretary of the Treasury to fund the treasury notes and floating debt of the United States, authorized the issue of bonds in the amount of $500,000,000, redeemable at the pleasure of the United States after five years and payable twenty years from date, bearing interest at the rate of 6 per cent. per annum. The act of March 3, 1864 (13 Statutes, 13), authorized an additional issue of $11,000,000 of bonds to persons who subscribed for the loan on or before January 21, 1864. The act of January 28, 1865 (13 Statutes, 425), authorized an additional issue of $4,000,000 of these bonds and their sale in the United States or Europe.

Length of loan, 5 or 20 years; redeemable May 1, 1867; payable May 1, 1882; amount authorized, $515,000,000; at issued, $514,771,600; sold at an average premium of $\frac{885}{1000}$ of 1 per cent.; interest, 6 per cent., payable nally (May and November); outstanding June 30, 1880, $393,400.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862				$13,845,500 00	$13,845,500 00
1863	$2,539,803 45	$8,740,802 16	$7,179,400 00	156,572,118 30	175,032,123 91
1864	84,639,628 51	101,480,438 31	75,489,902 12	31,210 14	321,641,179 08
1865	201,357 15	51,300 00	4,000,000 00	139 86	4,252,797 01
Total					514,771,600 00

REDEMPTIONS.

1861	$17,591,750 00	$2,287,300 00	$2,254,700 00	$28,904,350 00	$51,038,100 00
1862	2,401,700 00	40,302,850 00	109,339,300 00	32,190,900 00	184,234,750 00
1863	7,202,850 00	3,726,250 00	3,599,400 00	1,344,650 00	15,873,150 00
1864	61,257,600 00	19,931,450 00	8,453,000 00	4,467,400 00	94,109,450 00
1865	3,029,050 00	37,364,800 00	10,077,700 00	44,786,300 00	104,257,850 00
1870	20,605,150 00	33,596,500 00	9,643,900 00	401,200 00	64,246,750 00
1877	167,500 00	100,700 00	103,500 00	77,400 00	449,100 00
1878	34,000 00	29,500 00	57,900 00	10,250 00	131,650 00
1879	11,650 00	1,050 00	9,600 00	6,000 00	28,300 00
1880	2,400 00	750 00	5,450 00	500 00	9,100 00
					514,378,200 00
Outstanding June 30, 1880					393,400 00
Total					514,771,600 00

The cash received and covered into the treasury in 1862, on account of this loan, is stated at $13,990,600 (Receipts and Expenditures, 1862, p. 22). Add to this $54,900, received on account of "Oregon War Certificates" Nos. 657 to 670 inclusive, for which bonds of this loan were issued, and deduct $200,000, received on account of "seven-thirties of 1861", erroneously credited to this loan, and the result is $13,845,500, the true amount received in 1862. The cash received and covered in 1863 is stated at $175,037,259 44 (Receipts and Expenditures, 1863, p. 22). Add to this $6,500, erroneously credited to "temporary loan" (warrant No. 257, 1st quarter, 1863, certificates of deposit Nos. 55 and 69), and deduct $11,635 53, interest erroneously covered as principal by various warrants in small sums, and the result is $175,032,123 91, the true amount received in 1863. The amount received and covered in 1864 is stated at $321,551,283 41 (Receipts and Expenditures, 1864, p. 26). Add to this $89,895 42 (warrant No. 527, 3d quarter, 1864), erroneously covered as accrued interest, and 25 cents in the account of Jay Cooke (certificate of deposit No. 219), excess of interest, and the result is $321,641,179 08, the true amount received in 1864. The amount received and covered in 1865 is stated at $252,657 15 (Receipts and Expenditures, 1865, p. xl). Add to this $4,000,000, principal deposited in First National Bank of Washington by Jay Cooke, June, 1865, erroneously covered to "five-twenties of June, 1864", and $139 86, principal erroneously covered as accrued interest (warrant No. 645, 3d quarter, 1868), and the result is $4,252,797 01, the true amount received in 1865. The amount of premium realized on a portion of the issues of this loan, as stated in the Receipts and Expenditures, amounted to $1,826,868 75.

LEGAL-TENDER NOTES.

The act of February 25, 1862 (12 Statutes, 345), authorized the issue of $150,000,000 United States notes, not bearing interest, payable to bearer, at the treasury of the United States, and of such denominations, not less than five dollars, as the Secretary of the Treasury might deem expedient, $50,000,000 to be applied to the redemption of demand notes authorized by the act of July 17, 1861; these notes to be a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest on the public debt, and to be exchangeable for 6 per cent. United States bonds. The act of July 11, 1862 (12 Statutes, 532), authorized an additional issue of $150,000,000, of such denominations as the Secretary of the Treasury might deem expedient, but no such note should be for a fractional part of a dollar, and not more than $35,000,000 of a lower denomination than five dollars; these notes to be a legal tender, as before authorized. The act of March 3, 1863 (12 Statutes, 710), authorized an additional issue of $150,000,000 of such denominations, not less than one dollar, as the Secretary of the Treasury might prescribe; which notes were made a legal tender, as before authorized. The same act limited the time in which treasury notes might be exchanged for United States bonds to July 1, 1863. The amount of notes authorized by this act was to be in lieu of $100,000,000 authorized by the resolution of January 17, 1863 (12 Statutes, 822).

Length of loan, indefinite; amount authorized, $450,000,000; amount issued, including reissues, $1,640,559,947; highest amount outstanding June 30, 1864, $449,338,902, sold at par; interest, none; outstanding June 30, 1880, $346,681,016.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862				$98,620,000 00	$98,620,000 00
1863	$72,436,000 00	$53,796,000 00	$106,748,000 00	58,280,000 00	291,260,000 00
1864	15,452,000 00	49,099,730 00	4,766,260 00	17,102,880 00	86,420,870 00
1865	3,355,820 00	804,010 00			4,159,830 00
1866	2,322,615 00				2,322,615 00
1867	22,000,000 00	25,760,000 00	4,000,000 00	6,500,000 00	58,260,000 00
1868		1,842,400 00	4,030,831 00	4,198,328 20	10,071,559 20
1869	1,833,859 20	20,056,350 00	18,756,550 60	17,300,762 00	57,947,521 80
1870	17,662,362 00	103,871,635 00	23,855,371 00	31,784,152 00	177,173,520 00
1871	47,959,192 00	28,486,074 00	22,787,046 00	21,355,999 00	120,588,311 00
1872	17,775,066 00	17,444,739 00	15,606,358 00	18,773,641 00	69,599,804 00
1873	14,757,168 00	16,168,477 00	13,732,000 00	18,861,422 00	63,519,067 00
1874	16,589,890 00	55,062,280 00	33,235,584 00	15,516,135 00	120,403,889 00
1875	30,674,401 00	20,485,372 00	26,012,633 00	26,735,550 00	103,907,956 00
1876	20,886,564 00	31,072,884 00	22,632,153 00	16,586,157 00	91,177,758 00
1877	15,758,467 00	19,930,884 00	16,032,262 00	20,719,286 00	72,440,899 00
1878	13,248,991 00	18,538,944 00	13,621,550 00	21,866,466 00	67,275,951 00
1879	19,061,552 00	10,469,839 00	16,008,228 00	18,568,214 00	64,107,833 00
1880	23,501,786 00	32,157,605 00	12,191,385 00	13,451,787 00	81,302,563 00
Total					1,640,559,947 00

REDEMPTIONS.

1863	$2,000,000 00			$99,000 00	$2,099,000 00
1864	337,279 00	$672,053 90	$13,220,819 23	28,330,896 41	42,561,048 54
1865	1,044,379 87	1,586,541 00	793,059 00	911,153 60	4,335,133 47
1866	6,359,700 00	1,268,423 49	3,431,312 00	21,630,391 65	32,689,827 14
1867	17,436,787 85	45,347,251 20	13,113,854 60	4,000,000 00	79,897,893 65
1868	18,500,000 00	4,000,000 00	6,829,643 20	4,200,000 00	33,529,643 20
1869	1,000,000 00		39,045,088 00	17,300,762 00	57,945,850 00
1870	17,662,362 00	103,847,135 00	23,879,871 00	31,784,152 00	177,173,520 00
1871	47,959,192 00	28,490,074 00	22,787,046 00	21,355,999 00	120,592,311 00
1872	17,775,066 00	15,944,739 00	15,606,358 00	18,773,641 00	68,099,804 00
1873	16,257,168 00	13,610,570 00	13,780,860 00	21,370,469 00	65,019,067 00
1874	16,589,890 00	32,660,578 00	29,637,286 00	15,516,135 00	94,403,889 00
1875	30,674,401 00	20,485,372 00	28,785,733 00	30,190,870 00	110,136,376 00
1876	22,717,020 00	33,186,788 00	23,704,125 00	17,569,121 00	97,177,054 00
1877	17,036,011 00	22,370,540 00	19,431,142 00	23,611,158 00	82,448,851 00
1878	16,098,391 00	25,510,100 00	15,716,614 00	23,034,162 00	80,359,267 00
1879	19,061,552 00	10,469,839 00	16,008,228 00	18,568,214 00	64,107,833 00
1880	23,501,786 00	32,157,605 00	12,191,385 00	13,451,787 00	81,302,563 00
					1,293,878,931 00
Outstanding June 30, 1880					346,681,016 00
Total					1,640,559,947 00

In 1866 the amount redeemed on account of this loan during the year is stated at $32,695,827 14 (Receipts and Expenditures, 1866, p. 48). Deduct from this $6,000, erroneously covered into the treasury as a "miscellaneous receipt" (warrant No. 367, 3d quarter, 1865), that amount being a part of $37,106 84, proceeds of securities recovered in 1865 from a defaulter, who had abstracted $6,000 of redeemed notes when they were being destroyed by burning. The loan having already received credit for the destruction of these notes, which were thus put into circulation a second time, it should have been charged with the amount when it was recovered (treasurer's letter to the Secretary, November 1; Secretary's letter to the first comptroller, December 22, 1870).

TEMPORARY LOAN.

The act of February 25, 1862 (12 Statutes, 346), authorized temporary-loan deposits of $25,000,000, for not less than thirty days, with interest at 5 per cent. per annum, payable after ten days' notice. The act of March 17, 1862 (12 Statutes, 370), authorized the increase of temporary-loan deposits to $50,000,000, at rates of interest prescribed by the Secretary of the Treasury, not exceeding 5 per cent. per annum. The act of July 11, 1862 (12 Statutes, 532), authorized a further increase of temporary-loan deposits to $100,000,000. The act of June 30, 1864 (13 Statutes, [illegible]), authorized a further increase of temporary-loan deposits to an amount not exceeding $150,000,000, and an increase of the rate of interest to not exceeding 6 per cent. per annum, or a decrease of the rate of interest, on ten days' notice, as the public interest might require.

Length of loan, indefinite; redeemable after 10 days' notice; amount authorized, $150,000,000; amount issued, $716,099,247 16; highest amount outstanding June 12, 1866, $149,500,000; sold at par; interest, 4, 5, and 6 per cent., according to contract, payable on redemption; outstanding June 30, 1880, $2,960.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862			$20,291,619 43	$46,187,704 67	$66,479,324 10
1863	$22,813,843 14	$36,992,211 74	20,377,290 43	35,036,916 90	115,220,262 21
1864	32,690,013 84	14,758,923 23	29,696,784 57	92,072,323 17	169,218,044 81
1865	21,198,951 97	28,956,953 18	22,746,038 46	58,536,129 25	131,438,072 86
1866	50,015,576 12	40,120,817 02	39,807,131 65	96,146,819 25	226,090,344 04
1867	4,285,659 64	59,000 00		50,000 00	4,394,659 64
1868	3,000,000 00	200,000 00	58,539 50		3,258,539 50
Total					716,099,247 16

REDEMPTIONS.

1862			$1,415,215 00	$7,137,992 53	$8,553,207 53
1863	$9,913,610 66	$24,820,507 99	11,212,703 82	21,570,271 01	67,516,993 48
1864	27,203,017 44	82,547,266 95	21,934,305 71	65,615,143 67	197,299,733 77
1865	46,507,680 49	19,747,517 98	33,564,751 27	18,668,888 45	118,488,838 19
1866	33,677,413 29	45,364,977 69	25,599,555 84	100,613,448 34	205,255,395 16
1867	64,487,182 00	39,794,580 94	3,534,115 64	3,183,635 00	110,999,513 58
1868	2,615,986 45	3,076,105 00	1,018,633 00	484,940 00	7,195,664 45
1869	208,771 00	385,400 00	8,600 00	1,400 00	604,171 00
1870	3,500 00	4,920 00	750 00		9,170 00
1871	500 00	95,000 00		500 00	96,000 00
1872			2,000 00		2,000 00
1875	75,500 00				75,500 00
1880				100 00	100 00
Outstanding June 30, 1880					2,960 00
Total					716,099,247 16

The amount received and covered into the treasury in 1863 on account of this loan is stated at $115,226,762 21 (Receipts and Expenditures, 1863, p. 22). Deduct from this $6,500, on account of "five-twenties of 1862", erroneously credited to this loan (warrant No. 257, March 31, 1863), and the result is $115,220,262 21, the true amount received in 1863. The amount received and covered in 1866 is stated at $236,090,344 04 (Receipts and Expenditures, 1866, p. lxxiv). Deduct from this $10,000,000, on account of "navy pension fund", erroneously credited to this loan, and the result is $226,090,344 04, the true amount received in 1866. The amount received and covered in 1867 is stated at $7,394,659 64 (Receipts and Expenditures, 1867, p. l). Deduct from this $3,000,000, on account of "navy pension fund", erroneously credited to this loan, and the result is $4,394,659 64, the true amount received in 1867. The amount received and covered in 1868 is stated at $3,260,000. Deduct from this $1,160 50, excess of deposit in 1867 (not located), and the result is $3,258,539 50, the true amount received in 1868. The amount redeemed in 1864 is stated at $197,299,734 04 (Receipts and Expenditures, 1864, p. 34). Deduct from this 27 cents, interest charged as principal (warrant No. 8758, November 23, 1863), to find the true amount redeemed in 1864. The amount redeemed in 1866 is stated at $205,245,395 16 (Receipts and Expenditures, 1866, p. lxiii). Add to this $10,000, principal charged as interest (warrant No. 4839, January 20, 1866), to find the true amount redeemed in 1866. The amount redeemed in 1868 is stated at $7,197,664 45 (Receipts and Expenditures, 1868, p. xli). Deduct from this $2,000, on account of "seven-thirties of 1861" (warrant No. 51, February 6, 1868) erroneously charged to this loan, to find the true amount redeemed in 1868.

CERTIFICATES OF INDEBTEDNESS.

The act of March 1, 1862 (12 Statutes, 352), authorized the issue of certificates of indebtedness to public creditors who might elect to receive them, to bear interest at the rate of 6 per cent. per annum, and payable one year from date, or earlier, at the option of the government. The act of March 17, 1862 (12 Statutes, 370), authorized the issue of these certificates in payment of disbursing officers' checks. The act of March 3, 1863 (12 Statutes, 710), made the interest payable in lawful money.

Length of loan, 1 year; redeemable 1 year after date; amount authorized, no limit; amount issued, including renewals, $661,703,241 65; sold at par; interest, 6 per cent.; outstanding June 30, 1880, $4,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1862			$5,629,000 00	$44,252,979 73	$49,881,979 73
1863	$12,184,824 43	$54,220,437 49	56,694,000 00	34,380,000 00	157,479,261 92
1864	14,865,000 00	32,161,000 00	56,649,000 00	65,504,000 00	169,179,000 00
1865	85,471,200 63	36,667,000 00	68,000 00	8,769,000 00	130,975,200 63
1866	26,054,799 37	21,979,000 00	5,795,000 00	409,000 00	54,237,799 37
Total					561,753,241 65

REDEMPTIONS.

1863	$5,885,000 00	$756,000 00	$30,000 00	$43,689,000 00	$50,360,000 00
1864	12,345,804 16	56,881,437 49	61,818,000 00	34,051,000 00	165,096,241 65
1865	15,183,000 00	41,307,000 00	53,259,000 00	65,078,000 00	174,827,000 00
1866	80,044,000 00	27,326,000 00	1,190,000 00	34,933,000 00	143,493,000 00
1867	27,340,000 00	380,000 00	91,000 00	18,000 00	27,829,000 00
1868		3,000 00	12,000 00		15,000 00
1869	5,000 00		121,000 00		126,000 00
1870			1,000 00	1,000 00	2,000 00
1879			1,000 00		1,000 00
					561,749,241 65
Outstanding June 30, 1880					4,000 00
Total					561,753,241 65

The amount received in 1866 on account of this loan is stated at $54,240,983 12 (Receipts and Expenditures, 1866, p. lxxvi). Deduct from this $3,183 75, received on account of premium, erroneously credited to principal (warrant No. 743, June 30, 1866), and the result is $54,237,799 37, the true amount received, as stated above (Secretary's letter to the first comptroller, December 22, 1870).

FRACTIONAL CURRENCY.

The act of July 17, 1862 (12 Statutes, 592), authorized the use of postal and other stamps as currency, and made them receivable in payment of all dues to the United States less than five dollars. The fourth section of the act of March 3, 1863 (12 Statutes, 711), authorized the issue of fractional notes in lieu of postage and revenue stamps commonly called postage currency; made them exchangeable in sums not less than three dollars for United States notes, and receivable for postage and revenue stamps, and in any payment of dues to the United States, except duties on imports, less than five dollars; and limited the amount to $50,000,000. The fifth section of the act of June 30, 1864 (13 Statutes, 220), authorized an issue of $50,000,000 in fractional currency, and provided that the whole amount of these notes outstanding at any one time should not exceed this sum.

Length of loan, indefinite; redeemable on presentation; amount authorized, $50,000,000; amount issued, including reissues, $368,720,079 51; sold at par; interest, none; outstanding June 30, 1880, $7,214,954 37.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1863	$787,800 00	$6,057,136 00	$12,070,564 00	$1,276,956 00	$20,192,456 00
1864		598,749 50	3,057,262 50	4,513,709 25	8,169,721 25
1865	4,340,798 15	2,426,825 50	3,691,647 75	4,155,291 75	14,614,563 15
1866	4,950,163 75	3,014,279 50	5,608,980 50	4,290,897 00	17,864,320 75
1867	4,409,042 60	6,034,017 50	5,318,236 50	4,155,234 05	19,916,530 65
1868	6,056,542 00	6,697,920 00	6,626,362 00	5,643,600 00	25,024,424 00
1869	6,204,179 00	7,152,896 45	9,390,326 90	961,730 20	23,709,131 65
1870	4,167,300 00	11,875,113 00	7,413,987 00	7,753,316 00	31,209,716 00
1871	7,208,500 00	7,680,500 06	8,200,900 00	8,014,000 00	31,103,900 06
1872	5,688,200 00	9,407,400 00	9,882,900 00	6,838,400 00	31,816,900 00
1873	8,113,600 00	12,554,000 00	9,025,600 00	8,981,600 00	38,674,800 00
1874	12,156,454 40	12,189,300 00	10,553,561 60	6,585,600 00	41,434,916 00
1875	10,702,300 00	9,314,200 00	7,803,600 00	8,792,700 00	36,612,800 00
1876	7,786,800 00	13,251,100 00	7,338,000 00		28,375,900 00
Total					368,720,079 51

REDEMPTIONS.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1864	$1,299,600 00	$1,927,545 85	$1,012,907 85	$1,227,246 30	$5,467,300 00
1865	1,832,598 40	3,065,496 15	3,545,670 03	2,971,987 06	11,415,751 64
1866	3,901,237 81	3,508,213 58	3,293,449 85	5,431,842 83	16,134,744 07
1867	3,690,471 52	4,861,004 15	4,752,927 47	4,629,916 45	17,934,319 59
1868	4,587,941 39	4,829,549 32	5,973,045 34	4,877,292 04	20,267,828 09
1869	5,931,269 72	5,619,203 58	9,955,478 07	4,862,191 39	26,368,142 76
1870	3,356,842 90	5,062,002 78	7,376,532 07	7,442,711 13	23,238,088 88
1871	7,546,000 00	7,222,595 10	7,855,548 75	7,771,570 07	30,395,713 92
1872	7,703,899 40	7,206,697 55	8,367,378 09	8,265,964 16	31,543,939 29
1873	8,488,997 97	7,312,375 68	9,578,287 40	9,351,608 78	34,731,269 83
1874	10,726,428 31	9,823,899 13	9,995,693 73	9,806,964 60	40,352,985 77
1875	9,852,576 76	9,654,620 58	9,850,988 91	11,006,485 23	40,364,671 48
1876	9,132,648 66	9,887,603 06	8,890,178 76	8,158,298 32	36,068,728 80
1877	4,588,179 77	3,510,209 17	2,907,694 37	3,037,374 74	14,043,458 05
1878	1,616,493 07	1,022,533 37	813,993 28	402,351 18	3,855,372 90
1879	250,339 19	189,270 63	182,492 48	83,056 36	705,158 66
1880	95,102 52	73,199 48	49,006 78	34,408 63	251,717 41
					353,129,191 14
Estimated as lost or destroyed, act of June 21, 1879					8,375,934 00
					361,505,125 14
Outstanding June 30, 1880					7,214,954 37
Total					368,720,079 51

LOAN OF 1863.

The act of March 3, 1863 (12 Statutes, 709), authorized the issue of bonds in the amount of $900,000,000, bearing interest at a rate not exceeding 6 per cent. per annum, and redeemable in not less than ten nor more than forty years, principal and interest payable in coin. The act of June 30, 1864, section 3 (13 Statutes, 219), repealed so much of the preceding act as limited the authority thereunder to the current fiscal year, and also repealed the authority altogether except as to $75,000,000 of bonds for which subscriptions had already been invited.

Length of loan, 17 years; redeemable July 1, 1881; amount authorized, $75,000,000; amount issued, $75,000,000; sold at an average premium of $4\frac{4\,8\,3}{1\,0\,0\,0}$ per cent.; interest, 6 per cent., payable semi-annually (January and July); outstanding June 30, 1880, $62,202,850.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1864				$42,141,771 65	$42,141,771 65
1865	$31,848,763 23	$183,165 99	$1,126 01	142,750 00	32,175,805 23
1866	142,000 00				142,000 00
1867	3,100 00				3,100 00
1869	537,323 72				537,323 72
Total					75,000,000 00

REDEMPTIONS.

1880		$3,361,100 00	$4,261,950 00	$5,174,100 00	$12,797,150 00
Outstanding June 30, 1880					62,202,850 00
Total					75,000,000 00

The premium realized on the issue of this loan, as stated in the Receipts and Expenditures, amounted to $3,339,751 70.

The amount received and covered into the treasury in 1869 on account of this loan is stated at $537,473 94 (Receipts and Expenditures, 1869, p. lvi). Deduct from this $150 22, received on account of premium, erroneously credited to principal of this loan (misc. cov. warrant, No. 650, September 30, 1868), and the result is $537,323 72, the true amount received in 1869 (Secretary's letter to the first comptroller, June 11, 1870; requisition No. 270).

ONE-YEAR NOTES OF 1863.

The act of March 3, 1863, section 2 (12 Statutes, 710), authorized the issue of $400,000,000 treasury notes, with interest at not exceeding 6 per cent. per annum; redeemable in not more than three years; principal and interest payable in lawful money, to be a legal tender for their face value, excluding interest.

Length of loan, 1 year; redeemable 1 year after date; amount authorized, $400,000,000; amount issued, $44,520,000; sold at par; interest, 5 per cent., payable on redemption; outstanding June 30, 1880, $46,535.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1864			$27,400,000 00	$17,120,000 00	$44,520,000 00
Total					44,520,000 00

REDEMPTIONS.

1865		$1,270,270 00	$2,921,140 00	$34,272,910 00	$38,473,320 00
1866	$7,000,000 00				7,000,000 00
1867		1,108,480 00			1,108,480 00
1869				9,290 00	9,290 00
1870	15,750 00	15,560 00	10,860 00	10,750 00	52,920 00
1871	10,640 00	7,840 00	6,820 00	8,000 00	33,300 00
1872	4,610 00	5,260 00	5,650 00	5,730 00	21,250 00
1873	5,092 00	2,930 00	4,210 00	4,930 00	17,162 00
1874	2,770 00	2,200 00	2,520 00	2,390 00	9,880 00
1875	2,880 00	2,310 00	1,430 00	2,080 00	8,700 00
1876	1,230 00	870 00	1,970 00	950 00	5,020 00
1877	1,430 00	940 00	1,480 00	1,780 00	5,630 00
1878	1,100 00	830 00	1,260 00	700 00	3,890 00
1879	520 00	750 00	560 00	1,020 00	2,850 00
1880	440 00	870 00	310 00	530 00	2,150 00
					46,753,842 00
Transferred to "Two-year notes of 1863"					2,280,337 00
					44,473,505 00
Unadjusted *					40 00
					44,473,465 00
Outstanding June 30, 1880					46,535 00
Total					44,520,000 00

* For an explanation of this item, see "Notes to Recapitulation", *post*.

Under date of August 10, 1875, the first comptroller of the treasury directed the register to credit the treasurer with $2,280,337, on account of the redemption of this loan, and to charge this sum to the treasurer on account of the redemption of "two-year notes of 1863", and consolidate and close the two accounts.

TWO-YEAR NOTES OF 1863.

The act of March 3, 1863, section 2 (12 Statutes, 710), authorized the issue of $400,000,000 treasury notes with interest at not exceeding 6 per cent. per annum; redeemable in not more than three years; principal and interest payable in lawful money; to be a legal tender for their face value, excluding interest.

Length of loan, 2 years; redeemable 2 years from date; amount authorized $400,000,000; amount issued, $166,480,000; sold at par; interest, 5 per cent., payable on redemption; outstanding June 30, 1880, $35,950.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1864	$13,000,000 00	$36,500,000 00	$92,495,893 01	$24,484,106 99	$166,480,000 00
Total					166,480,000 00

FIVE-TWENTIES OF 1865.

The act of March 3, 1865 (13 Statutes, 468), authorized the issue of $600,000,000 in bonds or treasury notes, in addition to amounts previously authorized; the bonds to be for not less than $50, payable not more than forty years from date of issue, or after any period not less than five years; interest payable semi-annually, at not exceeding 6 per cent. per annum when in coin, or $7\frac{3}{10}$ per cent. per annum when in currency. In addition to the amount of bonds authorized by this act, authority was also given to convert treasury notes or other interest-bearing obligations into bonds authorized by it. The act of April 12, 1866 (14 Statutes, 31), construed the above act to authorize the Secretary of the Treasury to receive any obligations of the United States, whether bearing interest or not, in exchange for any bonds authorized by it, or to sell any of such bonds, provided the public debt should not be increased thereby.

Length of loan, 5 or 20 years; redeemable November 1, 1870; payable November 1, 1885; amount authorized, indefinite; amount issued, $203,327,250; sold at an average premium of $2\frac{547}{1000}$ per cent.; interest, 6 per cent., payable semi-annually (May and November); outstanding June 30, 1880, $114,550.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1866	.....	$58,306,900 00	$2,935,200 00	$47,901,300 00	$109,142,400 00
1867	$70,355,600 00	1,928,250 00	.....	.....	72,283,850 00
1868	13,500,000 00	1,000,000 00	1,750,000 00	100,000 00	16,350,000 00
1869	5,050,000 00	500,000 00	.....	.....	5,550,000 00
Total	.....	.....	.....	.....	203,327,250 00

REDEMPTIONS.

1871	$15,550,500 00	$1,801,000 00	$5,464,650 00	$12,860,300 00	$35,676,450 00
1872	2,188,100 00	2,145,000 00	531,550 00	3,286,500 00	8,151,150 00
1873	2,420,750 00	892,750 00	532,300 00	186,400 00	4,032,200 00
1874	2,624,700 00	208,400 00	.....	100,000 00	2,933,100 00
1876	.....	24,850 00	1,268,400 00	496,000 00	1,789,250 00
1877	59,450 00	30,471,900 00	15,461,000 00	69,472,000 00	115,464,350 00
1878	29,789,600 00	4,294,150 00	726,700 00	124,100 00	34,934,550 00
1879	95,000 00	80,200 00	48,250 00	27,100 00	200,550 00
1880	20,150 00	1,350 00	6,600 00	3,000 00	31,100 00
					203,212,700 00
Outstanding June 30, 1880	.....	.....	.....	.....	114,550 00
Total	.....	.....	.....	.....	203,327,250 00

The cash received and covered into the treasury on account of this loan in 1866, is stated at $92,492,647. Deduct from this $995,247, being on account of premium (warrant No. 459, December 20, 1865), and $1,000, being on account of seven-thirties of 1865, but erroneously credited to this loan (warrant No. 362, 4th quarter, 1866, report 21,048), and the result is $91,496,400, the true amount received in 1866.

The cash received and covered in 1867 is stated at $70,984,200. Add to this, $8,700 received on account of this loan, but erroneously credited to the five-twenties of June, 1864 (warrant No. 773, 1st quarter, 1867), and deduct $27,000 received on account of premium, but erroneously covered as principal (warrant No. 661, 2d quarter, 1867), and the result is $70,965,900, the true amount received in 1867. To this should also be added $20,000 issued to the First National Bank, of St. Louis, September 19, 1866, in lieu of seven-thirty notes lost by the robbery of Adams' Express Company, May 5, 1865, and for which no money came into the treasury (caveat case No. 316), thus making an excess of issues over and above the cash received to this amount. The premium realized on the stock issued amounted to $5,179,393 07.

CONSOLS OF 1865.

The act of March 3, 1865 (13 Statutes, 468), authorized the issue of $600,000,000 in bonds or treasury notes, in addition to amounts previously authorized; the bonds to be for not less than $50, payable not more than forty years from date of issue, or after any period not less than five years; interest payable semi-annually, at not exceeding six per cent. per annum when in coin, or $7\frac{3}{10}$ per cent. per annum when in currency. In addition to the amount of bonds authorized by this act, authority was also given to convert treasury notes or other interest-bearing obligations into bonds authorized by it. The act of April 12, 1866 (14 Statutes, 31), construed the above act to authorize the Secretary of the Treasury to receive any obligations of the United States, whether bearing interest or not, in exchange for any bonds authorized by it, or to sell any of such bonds, provided the public debt should not be increased thereby.

Length of loan, 5 or 20 years; redeemable July 1, 1870; payable July 1, 1885; amount authorized, indefinite; amount issued, $332,998,950; sold at an average premium of $3\frac{821}{1000}$ per cent.; interest, 6 per cent., payable semi-(January and July); outstanding June 30, 1880, $612,400.

CONSOLS OF 1868.

The act of March 3, 1865 (13 Statutes, 468), authorized the issue of $600,000,000 in bonds or treasury notes, in addition to amounts previously authorized; the bonds to be for not less than $50, payable not more than forty years from the date of issue or after any period not less than five years; interest payable semi-annually, at not exceeding 6 per cent. per annum when in coin, or $7\frac{3}{10}$ per cent. per annum when in currency. In addition to the amount of bonds authorized by this act, authority was also given to convert treasury notes or other interest-bearing obligations into bonds authorized by it. The act of April 12, 1866 (14 Statutes, 31), construed the above act to authorize the Secretary of the Treasury to receive any obligations of the United States, whether bearing interest or not, in exchange for any bonds authorized by it, or to sell any such bonds, provided the public debt was not increased thereby.

Length of loan, 5 or 20 years; redeemable after July 1, 1873; payable July 1, 1888; amount authorized, indefinite; amount issued, $42,539,350; sold at an average premium of $\frac{45}{1000}$ of 1 per cent.; interest, 6 per cent., payable semi-annually (January and July); outstanding June 30, 1880, $752,300.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1868				$120,000 00	$120,000 00
1869	$42,376,600 00	$28,800 00	$13,950 00		42,419,350 00
Total					42,539,350 00

REDEMPTIONS.

1871	$2,861,100 00	$12,000 00	$2,500 00	$244,800 00	$3,120,400 00
1872	76,050 00	76,850 00	50 00	7,550 00	166,500 00
1873	187,550 00	432,500 00	10,000 00	292,900 00	922,950 00
1874	861,500 00				861,500 00
1876			200 00		200 00
1878	8,000 00	500 00			8,500 00
1879			28,700 00	17,333,050 00	17,361,750 00
1880	17,479,450 00	1,009,300 00	554,750 00	307,750 00	19,351,250 00
					41,787,050 00
Outstanding June 30, 1880					752,300 00
Total					42,539,350 00

The premium realized on a portion of the stock issued amounted to $19,253 40.

THREE PER CENT. CERTIFICATES.

The act of March 2, 1867 (14 Statutes, 558), authorized the issue of $50,000,000 in temporary-loan certificates of deposit, with interest at 3 per cent. per annum, payable in lawful money on demand, to be used in redemption of compound-interest notes. The act of July 25, 1868 (15 Statutes, 183), authorized $25,000,000 additional of those certificates, for the sole purpose of redeeming compound-interest notes.

Length of loan, indefinite; payable on demand; amount authorized, $75,000,000; amount issued, including reissues, $85,155,000; sold at par; interest 3 per cent., payable semi-annually; outstanding June 30, 1880, $5,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1868		$23,265,000 00	$3,025,000 00	$23,710,000 00	$50,000,000 00
1869	$17,865,000 00	9,765,000 00	6,165,000 00	810,000 00	34,605,000 00
1870	135,000 00	80,000 00	75,000 00	50,000 00	340,000 00
1871	45,000 00	45,000 00	25,000 00	25,000 00	140,000 00
1872	15,000 00	25,000 00	15,000 00	10,000 00	65,000 00
1873	5,000 00				5,000 00
Total					85,155,000 00

REDEMPTIONS.

1869	$2,580,000 00	$19,180,000 00	$7,425,000 00	$3,295,000 00	$32,480,000 00
1870	1,710,000 00	5,080,000 00	55,000 00	70,000 00	6,915,000 00
1871	455,000 00	1,635,000 00	4,760,000 00	6,955,000 00	13,805,000 00
1872	4,410,000 00	5,490,000 00	4,485,000 00	5,345,000 00	19,730,000 00
1873	4,240,000 00	3,840,000 00	2,745,000 00	1,370,000 00	12,195,000 00
1874	25,000 00				25,000 00
					85,150,000 00
standing June 30, 1880					5,000 00
al					85,155,000 00

CERTIFICATES OF INDEBTEDNESS OF 1870.

The act of July 8, 1870 (16 Statutes, 197), authorized the issue of certificates of indebtedness, payable five years after date, with interest at 4 per cent. per annum, payable semi-annually, principal and interest, in lawful money, to be hereafter appropriated and provided for by Congress. These certificates were issued, one-third to the state of Maine and two-thirds to the state of Massachusetts, both for the use and benefit of the European and North American Railway Company, and were in full adjustment and payment of any and all claims of said states or railway company for moneys expended (or interest thereon) by the state of Massachusetts on account of the war of 1812–'15.

Length of loan, 5 years; payable September 1, 1875; amount authorized, $678,362 41; amount issued, $678,362 41; sold at par; interest, 4 per cent., payable semi-annually (March and September); final redemption, December 31, 1875.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1871		$678,362 41			$678,362 41
Total					678,362 41

REDEMPTIONS.

1871			$362 41		$362 41
1876	$567,000 00	$111,000 00			678,000 00
Total					678,362 41

BONDS ISSUED UNDER THE REFUNDING ACTS OF JULY 14, 1870, AND JANUARY 20, 1871.

The act of July 14, 1870 (16 Statutes, 272), authorized the issue of bonds in the amount of $1,500,000,000, $200,000,000 payable at the pleasure of the government after ten years, and bearing interest at 5 per cent. per annum; $300,000,000 payable at the pleasure of the government after fifteen years from the date of their issue, bearing interest at 4½ per cent. per annum; and $1,000,000,000 payable at the pleasure of the government after thirty years from the date of their issue, bearing interest at 4 per cent. per annum; all of these several classes of bonds to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal, or local authority. The act authorized the sale of the bonds at not less than par, in coin, and the application of their proceeds to the redemption of 5-20s, or the exchange of the bonds for said 5-20s, par for par. The act further provided that the bonds should be redeemed after maturity, upon three months' public notice, when the interest thereon should cease, and that the bonds of each class last dated and numbered should be first redeemed. The act of January 20, 1871 (16 Statutes, 399), increased the amount of 5 per cent. bonds to $500,000,000, provided that the aggregate amount issued of the three classes should not exceed the amount originally authorized. It also provided that the interest on any of the bonds might be paid quarterly.

FIVE PER CENT. LOAN OF 1881.

The amount of 5 per cent. bonds issued under authority of the refunding acts was $486,043,000. In addition to this amount there was issued $31,951,150 in bonds of the same loan, under authority of the acts described below.

The act of December 17, 1873 (18 Statutes, 1), authorized the issue of 5 per cent. bonds, in lieu of any bonds of the loan of 1858 which the holders thereof might, on or before February 1, 1874, elect to exchange for the bonds of this loan.

The act of January 14, 1875 (18 Statutes, 296), authorized the Secretary of the Treasury to use any surplus revenues from time to time in the treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin, bonds of the United States of any of the classes described in the act of July 14, 1870, to the extent necessary for the redemption of fractional currency in silver coins of the denominations of ten, twenty-five, and fifty cents of standard value.

The act of March 3, 1875 (18 Statutes, 466), directed the Secretary of the Treasury to issue bonds of the character and description set forth in the act of July 14, 1870, to James B. Eads, or his legal representatives, in payment, at par, of the warrants of the Secretary of War for the construction of jetties and auxiliary works to maintain a wide and deep channel between the South pass of the Mississippi river and the Gulf of Mexico, unless Congress should have previously provided for the payment of the same by the necessary appropriation of money.

Length of loan, 10 years; redeemable after May 1, 1881; amount authorized, indefinite; amount issued, $517,994,150; sold at par; interest, 5 per cent., payable quarterly (February, May, August, and November); standing June 30, 1880, $484,864,900.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1871				$59, 669, 150 00	$59, 669, 150 00
1872	$2, 757, 350 00	$34, 571, 150 00	$103, 002, 350 00		140, 330, 850 00
1874	74, 000, 000 00	15, 924, 500 00	24, 491, 650 00	1, 384, 600 00	115, 800, 750 00
1875	6, 397, 150 00	39, 500, 000 00	17, 728, 550 00	32, 880, 000 00	96, 505, 700 00
1876	25, 650, 000 00	37, 602, 000 00	39, 652, 850 00	1, 648, 200 00	104, 553, 050 00
1877	634, 650 00		500, 000 00		1, 134, 650 00
Total					517, 994, 150 00

REDEMPTIONS.

1877			$9, 553, 800 00		$9, 553, 800 00
1880			9, 477, 450 00	$14, 098, 000 00	23, 575, 450 00
					33, 129, 250 00
Outstanding June 30, 1880					484, 864, 900 00
Total					517, 994, 150 00

FOUR AND ONE-HALF PER CENT. LOAN OF 1891.

The amount of 4½ per cent. bonds issued under authority of the refunding acts was $185,000,000. In addition to this amount there were sold of 4½ per cent. bonds for resumption purposes, under authority of the act of January 14, 1875 (18 Statutes, 296), commonly known as the resumption act, $65,000,000 (see Part 1, *ante*).

Length of loan, 15 years; redeemable September 1, 1891; amount authorized, indefinite; amount issued, $250,000,000; sold at par; interest, 4½ per cent., payable quarterly (March, June, September, and December); outstanding June 30, 1880, $250,000,000.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1877		$33, 600, 000 00	$16, 400, 000 00	$90, 000, 000 00	$140, 000, 000 00
1878	$60, 000, 000 00			40, 000, 000 00	100, 000, 000 00
1879	10, 000, 000 00				10, 000, 000 00
Outstanding June 30, 1880					250, 000, 000 00

FOUR PER CENT. LOAN OF 1907.

The amount of 4 per cent. bonds issued under authority of the refunding acts above mentioned, including those issued in redemption of refunding certificates (act of February 26, 1879, see page 210), was $708,980,800. In addition to this amount there were sold for resumption purposes, under authority of the act of January 14, 1875, commonly called the resumption act (18 Statutes, 296), bonds in the amount of $30,500,000, of which $5,500,000 was applied to the payment of the "Halifax award" (see Part 1, *ante*).

Length of loan, 30 years; redeemable July 1, 1907; amount authorized, indefinite; amount issued, $739,480,800; sold at par to ½ per cent. premium; interest, 4 per cent., payable quarterly (January, April, July, and October); outstanding June 30, 1880, $737,980,800.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1878	$10, 000, 000 00	$64, 900, 000 00	$4, 950, 000 00	$19, 000, 000 00	$98, 850, 000 00
1879	52, 650, 000 00	47, 200, 000 00	250, 700, 000 00	217, 629, 900 00	568, 179, 900 00
1880	70, 127, 150 00	1, 333, 500 00	526, 800 00	463, 450 00	72, 450, 900 00
Total					739, 480, 800 00

REDEMPTION.

				$1, 500, 000 00	$1, 500, 000 00
ing June 30, 1880					737, 980, 800 00
					739, 480, 800 00

	587,135,000 00
	14,465,000 00
	601,600,000 00

SILVER CERTIFICATES.

The act of February 28, 1878 (20 Statutes 26, section 3), authorized the issue of certificates in denominations corresponding to those of United States notes, but not of smaller denominations than ten dollars, in exchange for the coin authorized by this act, said coin to be deposited by the holder with the treasurer or any assistant treasurer of the United States, and be retained in the treasury for the payment of the certificates on their presentation; said certificates to be receivable for customs, taxes, and all public dues, and be subject to reissue when so received.

Length of loan, indefinite; redeemable on demand; amount authorized, indefinite; amount issued, $21,018,000; sold at par; interest, none; outstanding June 30, 1880, $12,374,270.

ISSUES.

Fiscal year.	First quarter.	Second quarter.	Third quarter.	Fourth quarter.	Total.
1878				$1,462,600 00	$1,462,600 00
1879	$5,102,470 00	$2,654,550 00	$966,380 00	741,000 00	9,464,400 00
1880	1,755,000 00	4,517,000 00	2,600,000 00	1,219,000 00	10,091,000 00
Total					21,018,000 00

REDEMPTIONS.

1879	$4,717,000 00	$2,006,490 00	$1,135,980 00	$600,580 00	$8,460,050 00
1880	100 00	25,940 00	22,990 00	134,650 00	183,680 00
					8,643,730 00
Outstanding June 30, 1880					12,374,270 00
Total					21,018,000 00

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

REDEMPTIONS.

Year.	Holland loan of 1788.	Debt due foreign officers.	Holland loan of 1790.	Holland loan of March, 1791.	Holland loan of September, 1791.	Antwerp loan of 1791.	Holland loan of December, 1791.	Holland loan of 1792.
1792		$14,885 76						
1793		35,163 66						
1794		41,364 67						
1795		11,883 68						
1796		19,372 75						
1798		25,539 55						
1799	$80,000 00							
1800	80,000 00		$240,000 00					
1801	80,000 00		240,000 00					
1802	80,000 00	7,994 92	240,000 00	$200,000 00	$480,000 00			
1803	80,000 00	11,127 39	240,000 00	400,000 00	960,000 00	$328,000 00	$240,000 00	$240,000 00
1804			240,000 00	200,000 00	480,000 00	164,000 00	240,000 00	240,000 00
1805		6,409 63		200,000 00	480,000 00	328,000 00	240,000 00	240,000 00
1806							240,000 00	220,000 00
1807							240,000 00	240,000 00
1809		10,731 78						
1828		2,514 99						
Total	400,000 00	186,988 78	1,200,000 00	1,000,000 00	2,400,000 00	820,000 00	1,200,000 00	1,180,000 00

ISSUES.

Year.	Holland loan of 1793.	Holland loan of 1794.	Temporary loan of 1789.	Temporary loan of 1790.	Subscription loan of 1791.	Temporary loan from Bank of North America.	Temporary loan of 1792.	Temporary loan of 1793.
1789			$171,608 81					
1790			20,000 00	$55,000 00				
1792					$2,000,000 00	$156,595 56	$400,000 00	
1793	$400,000 00							$600,000 00
1794		$1,200,000 00						200,000 00
Total	400,000 00	1,200,000 00	191,608 81	55,000 00	2,000,000 00	156,595 56	400,000 00	800,000 00

REDEMPTIONS.

1789			$100,540 00					
1790			91,068 81	$55,000 00				
1793					$200,000 00	$156,595 56	$100,000 00	$400,000 00
1794					200,000 00			400,000 00
1795					200,000 00			
1796					400,000 00		300,000 00	
1797					200,000 00			
1798					200,000 00			
1799					200,000 00			
1800					200,000 00			
1801					200,000 00			
1803	$400,000 00							
1805		$240,000 00						
1806		240,000 00						
1807		240,000 00						
1808		240,000 00						
1809		240,000 00						
Total	400,000 00	1,200,000 00	191,608 81	55,000 00	2,000,000 00	156,595 56	400,000 00	800,000 00

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES.

Year.	Exchanged 6 per cent. stock of 1807.	Converted 6 per cent. stock of 1807.	Six per cent. loan of 1810.	Six per cent. loan of 1812.	Temporary loan of 1812.	Treasury notes of 1812.	Exchanged 6 per cent. stock of 1812.	Sixteen-million loan of 1813.
1807	$2,126,826 73	$592,351 88						
1808	4,167,224 39	1,267,498 82						
1810			$2,750,000 00					
1812				$7,852,400 00	$2,150,000 00	$2,835,500 00	$2,745,120 58	
1813				182,300 00		2,164,500 00	239,626 14	$18,109,377 43
1814				50,000 00				
1815				50,000 00				
Total	6,294,051 12	1,859,850 70	2,750,000 00	8,134,700 00	2,150,000 00	5,000,000 00	2,984,746 72	18,109,377 43

REDEMPTIONS.

1807	$300,707 62							
1808		$80 00						
1809	1,041,526 57							
1810	1,151,356 96							
1811	3,774,918 00		$2,750,000 00					
1812	15,712 23	1,273,987 74		$60,400 00				
1813	1,835 11	564,644 23		263,800 00	$1,350,000 00			
1814	1,998 67	8,337 38			250,000 00	$4,891,800 00		
1815	357 05	201 01				82,800 00		
1816	2,025 02				500,000 00	12,200 00		
1817		2,639 76		1,603,997 88	50,000 00	12,100 00	$315,637 73	$2,587,104 62
1818	48 75	22 67						
1819		2,140 14		19,495 28		900 00	134 00	1,136 36
1820		68 91				100 00		
1821		1,609 52						
1822								23,317 82
1824	3,565 14							2,647,301 51
1825				5,665,466 94			2,652,137 95	447,465 46
1826		437 31		405,545 06			15,359 96	1,148,854 20
1827				88,194 84			1,477 08	6,930,838 21
1828				22,300 00				3,991,136 95
1829		5,682 63						43,291 98
1830								30,508 09
1831				5,000 00				
1832								7,161 39
1833				500 00				337 13
1834								245,327 32
1840								5,500 00
Unadjusted						*100 00		
Outstanding June 30, 1880								46 39
Total	6,294,051 12	1,859,850 70	$2,750,000 00	8,134,700 00	2,150,000 00	5,000,000 00	2,984,746 72	18,109,377 43

*See "Notes to Recapitulation," 2, *post*.

ISSUES.

Year.	Treasury notes of 1813.	Seven and one-half million loan of 1813.	Treasury notes of March, 1814.	Ten-million loan of 1814.	Six-million loan of 1814.	Undesignated 6 per cent. loan of 1814.	Mississippi stock.	Temporary loan of 1814.
1813	$3,930,000 00	$4,427,575 07						
1814	1,070,000 00	4,071,006 88	$7,227,280 00	$9,919,476 25	$4,127,875 00	$157,894 68		$50,000 00
1815			2,772,720 00		1,256,259 87	295,707 32	$3,084,252 25½	1,250,000 00
1816						292,801 31	1,014,277 18½	150,000 00
1817							176,639 90	
1818							2,053 57	
1819							3,080 00	
1820							1,734 01	
Total	5,000,000 00	8,498,581 95	10,000,000 00	9,919,476 25	5,384,134 87	746,403 31	4,282,036 92	1,450,000 00

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

REDEMPTIONS.

Year.	Treasury notes of 1812.	Seven and one-half million loan of 1813.	Treasury notes of March, 1814.	Ten-million loan of 1814.	Six-million loan of 1814.	Undesignated 6 per cent. loan of 1814.	Mississippi stock.	Temporary loan of 1814.
1814	$946,000 00							
1815	1,277,000 00		$1,382,680 00					$950,000 00
1816	1,198,100 00		4,357,320 00				$123,081 88	500,000 00
1817	1,338,200 00	$1,682,349 56	3,773,940 00	$1,408,303 02	$1,326,354 10	$208,507 54	374,637 33	
1818			20 00	17 56			1,477,074 33	
1819	256,900 00		400,460 00				420,565 04	
1820	1,900 00		40,860 00				1,187,643 23	
1821			200 00				641,966 58	
1822		23,386 95		3,000 00	7,000 00		23,246 97	
1823			1,160 00				5,752 07	
1824		1,201,621 53	20 00				8,142 84	
1825		158,330 45					8,802 94	
1825		5,370,566 01					900 00	
1827		66,814 84	20 00				1,192 48	
1828		4,123 47	20 00	1,911,174 60			6,425 00	
1828		226 71	40 00	6,484,320 31	4,007,566 70	530,682 11	1,050 00	
1830		2,525 31	20 00	50,640 87	11,373 16	5,452 75		
1831		2,232 64		13,554 41	2,296 17		695 00	
1832		173 92		1,250 00	1,000 00			
1834		78 25	20 00	46,506 50	28,544 74	1,780 91		
1835			20 00					
1836			20 00					
1837			20 00					
1840		3,000 00		420 00				
1845		2,985 00						
		8,498,603 64						
Unadjusted	*900 00	†21 69	‡43,160 00					
Outstanding June 30, 1880				288 98			871 78	
Total	5,000,000 00	8,498,581 95	10,000,000 00	9,919,476 25	5,384,134 87	746,408 31	4,282,036 92	1,450,000 00

*See "Notes to Recapitulation", 3, *post*. †Ibid., 4. ‡Ibid., 5.

ISSUES.

Year.	Treasury notes of December, 1814.	Direct-tax loan of 1815.	Temporary loan of February, 1815.	Seven per-cent. loan of 1815.	Treasury notes of 1815.	Small Treasury notes of 1815.	Treasury-note stock of 1815.	Temporary loan of March, 1815.
1815	$8,318,400 00	$200,000 00	$175,000 00	$3,923,405 00	$1,553,500 00	$2,585,140 00	$3,570 25	$650,000 00
1816			50,000 00	5,010,428 00	3,415,900 00	807,854 00	384,074 90	500,000 00
1817				116,610 00			799,066 48	
1818				9,608 00			13,619 64	
1818				8,308 00			47,988 62	
1820				928 00			238,081 59	
1821				613 00			4,197 24	
1822				120 00			2,137 55	
1823				135 00			2,278 62	
1824				206 00			6,241 30	
1825				25 00			4,095 99	
Total	8,318,400 00	200,000 00	225,000 00	9,070,386 00	4,969,400 00	3,392,994 00	1,505,352 18	1,150,000 00

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

REDEMPTIONS.

Year.	Treasury notes of December 1814.	Direct-tax loan of 1815.	Temporary loan of February, 1815.	Seven per cent. loan of 1815.	Treasury notes of 1815.	Small Treasury notes of 1875.	Treasury-note stock of 1815.	Temporary loan of March, 1815.
1815	$1,400 00	$200,000 00			$600 00			$650,000 00
1816	4,021,480 00		$225,000 00		111,100 00	$8,206 00		
1817	3,589,620 00			$332,990 51	559,400 00	8,321,149 00	$25,258 42	500,000 00
1818	100 00					14,041 00	107 65	
1819	721,660 00			136,947 22	4,052,400 00	41,039 00	100 00	
1820	23,320 00				224,200 00	4,976 00		
1821	240 00				2,900 00	786 00		
1822	100 00				500 00	93 00		
1823	120 00				1,900 00	258 00		
1824	40 00			4,250,582 10	4,300 00	206 00		
1825	60 00			4,304,281 33	3,700 00		1,418,503 15	
1826				20,743 77	200 00		37,798 11	
1827	340 00			7,080 40	3,700 00	95 00	4,200 00	
1828	300 00			2,278 00	2,100 00	10 00	18,966 32	
1829					400 00	18 00		
1830	50 00			221 56	800 00	3 00	351 00	
1831				3,000 00		8 00		
1832	20 00				300 00			
1833					500 00			
1834	20 00			12,000 00		10 00		
1835					200 00			
1836				228 59		5 00		
1837					400 00	15 00		
1839						5 00		
1841	420 00				400 00			
1842	140 00					10 00		
	8,359,430 00				4,970,000 00			
Unadjusted	*41,030 00				†600 00	‡2,061 00		
Outstanding June 30, 1880				32 52			67 53	
Total	8,318,400 00	200,000 00	225,000 00	9,070,386 00	4,969,400 00	8,392,994 00	1,505,352 18	1,150,000 00

ISSUES.

Year.	Six per cent. loan of 1815.	Five per cent. loan of 1816.	Five per cent. loan of 1820.	Six per cent. loan of 1820.	Five per cent. loan of 1821.	Exchanged five per cent. stock of 1822.	Four-and-a-half per cent. loan of May 24, 1824.	Exchanged four and-a-half per cent. stock of 1824.
1815	$11,852,699 66							
1816	435,447 90							
1817		$7,000,000 00						
1820			$999,999 13	$2,000,000 00				
1821					$4,735,296 30			
1822						$56,704 77		
1824							$5,000,000 00	$3,848,923 04
1825								605,804 91
Total	12,288,147 56	7,000,000 00	999,999 13	2,000,000 00	4,735,296 30	56,704 77	5,000,000 00	4,454,727 95

REDEMPTIONS.

1817	$2,782,524 23							
1819	15,526 31							
1822				$2,000,000 00				
1830	9,320,767 55	$3,000,000 00						
1831	131,460 09	4,000,000 00	$167,990 04				$3,200,858 10	
1832	20,640 66		803,429 12				1,687,660 22	
1833	1,527 53		27,579 97		$23,236 01	$56,704 77	12,481 68	$3,124,895 57
1834	16,134 92		1,000 00		743,559 98			1,327,222 05
1835	1,090 00				3,911,086 58			
1836					47,413 77			
1880					10,000 00			3,000 00
1843								110 32
	12,289,671 29				4,735,296 34			
Unadjusted	§1,523 73				‖04			¶01
Total	12,288,147 56	7,000,000 00	999,999 13	2,000,000 00	4,735,296 30	56,704 77	5,000,000 00	4,454,727 95

* "Notes to Recapitulation", 6, *post*. † Ibid., 7. ‡ Ibid., 8. § Ibid., 9. ‖ Ibid., 10. ¶ Ibid., 11.

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES.

Year.	Four-and-one-half per cent. loan of May 26, 1824.	Exchanged four-and-one-half per cent. stock of 1825.	Treasury notes prior to 1846.	Loan of 1841.	Loan of 1842.	Loan of 1843.	Treasury notes of 1846.	Loan of 1846.
1825	$5, 000, 000 00							
1826		$1, 539, 336 16						
1837			$2, 992, 989 15					
1838			12, 716, 820 86					
1839			3, 857, 276 21					
1840			5, 589, 547 51					
1841			7, 993, 560 50	$5, 665, 756 88				
1842			11, 383, 405 77	7, 220 00	$3, 460, 527 67			
1843			662, 350 00		4, 883, 358 36	$6, 934, 000 00		
1844			1, 806, 950 00			70, 231 35		
1847							$7, 437, 800 00	$4, 888, 149 45
1848							250, 000 00	111, 000 00
Total	5, 000, 000 00	1, 539, 336 16	47, 002, 900 00	5, 672, 976 88	8, 343, 886 03	7, 004, 231 35	7, 687, 800 00	4, 999, 149 45

REDEMPTIONS.

1831	$1, 592, 388 67	$1, 436, 283 81						
1832	3, 399, 783 22	72, 227 91						
1833	5, 876 44	30, 707 67						
1834	1, 951 67	116 77						
1838			$5, 588, 506 71					
1839			10, 701, 277 13					
1840			3, 900, 033 02					
1841			5, 308, 434 25					
1842			7, 796, 824 84					
1843			332, 788 32					
1844			11, 112, 372 96					
1845			1, 476, 698 59	$5, 623, 894 71		$400, 000 00		
1846			296, 449 80	42, 082 17				
1847			193, 697 07	7, 000 00			$4, 228, 350 00	
1848			128, 728 00				3, 061, 000 00	
1849			20, 800 00		$80, 700 00	186, 000 00	279, 100 00	
1850			5, 850 00				87, 900 00	
1851			3, 777 67				9, 600 00	
1852			25, 300 00			745, 637 50	9, 000 00	$9 74
1853			7, 450 00		167, 495 60	4, 296, 862 50	3, 300 00	68, 200 00
1854			450 00		2, 813, 709 62	1, 397, 831 35	1, 200 00	2, 283, 435 59
1855			650 00		882, 525 00	27, 900 00	100 00	955, 990 86
1856					385, 221 30		200 00	943, 500 00
1857			3, 700 00		516, 539 58		300 00	714, 013 26
1858					614, 270 82		350 00	26, 400 00
1859			150 00					4, 500 00
1860			1, 500 00				250 00	1, 100 00
1861			300 00				50 00	2, 000 00
1862			50 00					
1863			50 00		2, 575, 743 36			
1864			50 00		105, 812 30			
1865			150 00		6, 400 00			
1866			200 00		114, 139 77			
1867					23, 707 04			
1868			50 00		51, 561 64		100 00	
1869			150 00					
1870			200 00					
1872			100 00		6, 000 00			
1877			50 00					
Unadjusted			*13, 586 29				†1, 000 00	
Outstanding June 30, 1880			82, 525 35				6, 000 00	
Total	5, 000, 000 00	1, 539, 336 16	47, 002, 900 00	5, 672, 976 88	8, 343, 886 03	7, 004, 231 35	7, 687, 800 00	4, 999, 149 45

*See "Notes to Recapitulation", 12, *post*.

†Ibid., 13.

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES.

Year.	Mexican indemnity stock.	Treasury notes of 1847.	Loan of 1847.	Bounty land scrip.	Loan of 1848.	Texan indemnity stock.	Treasury notes of 1857.	Loan of 1858.
1847	$298,754 36	$12,371,150 00	$4,175,300 00	$11,650 00				
1848	4,819 56	11,956,950 00	8,938,750 00	144,275 00				
1849		1,794,000 00	11,193,800 00	77,150 00	$15,600,950 00			
1850			3,646,900 00		399,050 00			
1851			203,400 00			$5,000,000 00		
1852			46,300 00					
1853			16,350 00					
1854			1,950 00					
1855			800 00					
1856			200 00					
1857			3,900 00					
1858			1,000 00				$23,716,300 00	
1859			100 00				9,667,400 00	$18,620,000 00
1860			1,000 00				19,395,200 00	1,380,000 00
Total	303,573 92	26,122,100 00	28,230,350 00	233,075 00	16,000,000 00	5,000,000 00	52,778,900 00	20,000,000 00

REDEMPTIONS.

1847		$1,132,550 00						
1848		9,837,400 00						
1849		11,381,500 00	$408,100 00		$260,000 00			
1850		3,559,000 00		$200 00				
1851	$15,977 16	190,900 00	430,250 00	206,800 00				
1852	286,248 95	12,300 00	1,070,450 00	100 00				
1853		5,950 00	1,668,650 00	14,375 00	193,300 00			
1854		550 00	7,893,950 00	4,350 00	2,656,958 20	$520,000 00		
1855		100 00	3,562,150 00	725 00	848,650 00	384,000 00		
1856	242 90		1,021,600 00	1,025 00	798,700 00	464,000 00		
1857			1,000,000 00	400 00	898,150 00	143,000 00		
1858		850 00	1,759,950 00	325 00	1,435,900 00	28,000 00	$3,639,300 00	
1859				300 00			14,680,100 00	
1860				200 00			13,850,700 00	
1861		100 00					18,069,200 00	
1862							2,468,100 00	
1863							58,600 00	
1864						992,000 00	2,000 00	
1865		250 00				1,649,000 00	1,100 00	
1866				100 00		252,000 00	200 00	
1867		50 00	2,219,050 00	100 00	886,400 00	301,000 00		
1868			6,431,850 00		226,350 00	11,000 00	100 00	
1869			727,200 00		7,704,441 80	4,000 00	100 00	
1870			24,000 00	100 00	47,450 00	10,000 00	400 00	
1871			11,000 00		18,800 00	61,000 00	5,100 00	
1872			500 00	75 00	19,400 00	7,000 00		
1873				300 00	5,500 00			
1874			400 00	200 00				$19,606,000 00
1875						2,000 00	100 00	117,000 00
1876						151,000 00		9,000 00
1877								
1878				100 00			100 00	
1879							100 00	220,000 00
1880				25 00				40,000 00
		26,121,500 00						
Unadjusted		*350 00					†1,900 00	
		26,121,150 00						
Outstanding June 30, 1880	1,104 91	950 00	1,250 00	3,275 00		21,000 00	1,700 00	8,000 00
Total	303,573 92	26,122,100 00	28,230,350 00	233,075 00	16,000,000 00	5,000,000 00	52,778,900 00	20,000,000 00

*See "Notes to Recapitulation", 14, *post*.

†Ibid., 15.

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES.

Year.	Loan of 1868.	Treasury notes of 1868.	Loan of February, 1861.	Treasury notes of 1861.	Oregon war debt.	Loan of July and August, 1861.	Old demand notes.	Seven-thirties of 1861.
1861	$7,022,000 00	$10,010,900 00	$18,358,742 50	$8,488,843 34				
1862			55,257 50	26,873,984 66	$1,000,700 00	$50,000,000 00	$60,030,000 00	$122,736,300 00
1863				1,622 00	90,150 00	76,500 00		17,263,450 00
1864						30,565,875 45		
1865						108,574,524 55		
1866						72,900 00		
1867						13,650 00		
1868						1,800 00		
1869						12,150 00		
1870						700 00		
1871								
1872						3,100 00		
1873						150 00		
1874								
1880								
Total	7,022,000 00	10,010,900 00	18,415,000 00	35,364,450 00	1,090,850 00	189,321,350 00	60,030,000 00	139,999,750 00

REDEMPTIONS.

1861		$68,350 00		$597,000 00				
1862		9,983,750 00		30,708,550 00			$58,610 00	
1863		8,200 00		2,144,350 00	$80,550 00		56,177,390 00	$71,500 00
1864				1,863,400 00	5,300 00		2,892,427 50	687,500 00
1865				43,550 00			370,569 00	188,411,050 00
1866				2,000 00			240,810 75	779,150 00
1867				400 00	71,000 00		81,730 25	41,100 00
1868		600 00		150 00			25,690 50	13,800 00
1869							20,472 75	11,500 00
1870				450 00			56,013 25	2,600 00
1871	$6,973,000 00						9,750 50	6,600 00
1872	39,000 00			50 00			8,209 25	3,100 00
1873							8,328 75	650 00
1874							3,235 00	150 00
1875							6,625 00	2,100 00
1876				50 00			3,190 00	50 00
1877				100 00			2,955 00	200 00
1878							1,665 00	50 00
1879							827 50	200 00
1880			$2,837,000 00		202,550 00	32,064,250 00	495 00	140,031,300 00
Unadjusted				*1,400 00				†48,150 00
Outstanding June 30, 1880	10,000 00		15,578,000 00	3,000 00	742,450 00	157,257,100 00	60,975 00	139,983,150 00 16,600 00
Total	7,022,000 00	10,010,900 00	18,415,000 00	35,364,450 00	1,090,850 00	189,321,350 00	60,030,000 00	139,999,750 00

*See "Notes to Recapitulation", 16, *post*. †Ibid, 17.

ISSUES.

Year.	Five-twenties of 1862.	Legal-tender notes.	Temporary loan.	Certificates of indebtedness.	Fractional currency.	Loan of 1863.	One-year notes of 1863.	Two-year notes of 1863.
1862	$13,845,500 00	$98,620,000 00	$66,479,324 10	$49,881,979 73				
1863	175,032,123 91	291,260,000 00	115,220,262 21	157,479,261 92	$20,192,456 00			
1864	321,641,179 08	86,420,870 00	169,218,044 81	169,179,000 00	8,169,721 25	$42,141,771 05	$44,520,000 00	$166,480,000 00
1865	4,252,797 01	4,159,830 00	131,438,072 86	130,975,200 63	14,614,563 15	32,175,805 23		
1866		2,322,615 00	226,090,344 04	54,237,799 37	17,864,320 75	142,000 00		
1867		58,260,000 00	4,394,650 64		19,916,530 65	3,100 00		
1868		10,071,559 20	3,258,539 50		25,024,424 00			
1869		57,947,521 80			23,709,131 65	537,323 72		
1870		177,173,520 00			31,209,716 00			
1871		120,588,311 00			31,103,900 06			
1872		69,599,804 00			31,816,900 00			
1873		63,519,067 00			38,674,800 00			
1874		120,403,889 00			41,434,916 00			
1875		103,907,956 00			36,612,800 00			
1876		91,177,758 00			28,375,900 00			
1877		72,440,899 00						
1878		67,275,951 00						
1879		64,107,833 00						
1880		81,302,563 00						
Total	514,771,600 00	1,640,559,947 00	716,000,247 16	561,753,241 65	368,720,079 51	75,000,000 00	44,520,000 00	166,480,000 00

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

REDEMPTIONS.

Year.	Five-twenties of 1862.	Legal-tender notes.	Temporary loan.	Certificates of indebtedness.	Fractional currency.	Loan of 1863.	One-year notes of 1863.	Two-year notes of 1863.
1862			$8,553,207 53					
1863		$2,099,000 00	67,516,993 48	$50,360,000 00				
1864		42,561,048 54	197,299,733 77	165,096,241 65	$5,467,300 00			$13,615,200 00
1865		4,335,133 47	118,488,838 19	174,827,000 00	11,415,751 64		$38,473,320 00	118,957,250 00
1866		32,689,827 14	205,255,395 16	143,493,000 00	16,134,744 07		7,000,000 00	34,500,000 00
1867		79,897,893 65	110,999,513 58	27,829,000 00	17,934,319 59		1,108,480 00	1,221,920 00
1868		33,529,643 20	7,195,664 45	15,000 00	20,267,828 09			568,338 00
1869		57,945,850 00	604,171 00	126,000 00	26,368,142 76		9,290 00	215,000 00
1870		177,173,520 00	9,170 00	2,000 00	23,238,088 88		52,920 00	30,150 00
1871	$51,038,100 00	120,592,311 00	96,000 00		30,395,713 92		33,300 00	16,400 00
1872	184,234,750 00	68,099,804 00	2,000 00		31,543,939 29		21,250 00	9,800 00
1873	15,873,150 00	65,019,067 00			34,731,269 83		17,162 00	8,255 00
1874	94,109,450 00	94,403,889 00			40,352,985 77		9,280 00	4,600 00
1875	104,257,850 00	110,136,376 00	75,500 00		40,364,671 48		8,700 00	5,550 00
1876	64,246,750 00	97,177,054 00			36,058,728 80		5,020 00	3,650 00
1877	449,100 00	82,448,851 00			14,043,458 05		5,630 00	3,350 00
1878	131,650 00	80,359,267 00			3,855,372 90		3,890 00	1,350 00
1879	28,300 00	64,107,833 00		1,000 00	705,158 66		2,850 00	1,450 00
1880	9,100 00	81,302,563 00	100 00		*8,627,651 41	$12,797,150 00	2,150 00	1,550 00
							46,753,842 00	164,163,813 00
1880, transfer'd from							2,280,337 00	
1880, transferred to								2,280,337 00
							44,473,505 00	166,444,150 00
Unadjusted							†40 00	‡100 00
Outstanding June 30, 1880	393,400 00	346,681,016 00	2,960 00	4,000 00	7,214,954 37	62,202,850 00	44,473,465 00	166,444,050 00
							46,535 00	35,950 00
Total	514,771,600 00	1,640,559,947 00	716,099,247 16	561,753,241 65	368,720,079 51	75,000,000 00	44,520,000 00	166,480,000 00

* See "Notes to Recapitulation", 18, *post.* † Ibid., 19, *post.* ‡ Ibid., 20.

ISSUES.

Year.	Coin certificates.	Compound-interest notes.	Ten-forties of 1864.	Five-twenties of March, 1864.	Five-twenties of June, 1864.	Seven-thirties of 1864 and 1865.	Navy pension fund.	Five-twenties of 1865.
1863								
1864		$17,250,000 00	$73,337,680 00					
1865		180,214,140 00	99,559,400 01		$90,736,354 25	$671,165,138 93	$7,000,000 00	
1866	$98,493,660 00	39,400,000 00	161,355 00	$3,882,500 00	9,241,000 00	158,447,228 14	3,000,000 00	$109,143,400 00
1867	109,142,120 00	29,731,300 00	5,000 00		25,531,300 00	78,600 00	2,500,000 00	72,283,850 00
1868	77,939,900 00		23,052,750 00		52,645 75	600 00	500,000 00	16,350,000 00
1869	80,663,160 00		2,114 99			300,932 93	1,000,000 00	5,550,000 00
1870	76,731,060 00							
1871	56,577,000 00							
1872	63,229,500 00							
1873	55,570,500 00							
1874	81,117,780 46							
1875	70,250,100 00							
1876	90,619,100 00							
1877	58,141,200 00							
1878	50,342,400 00							
1879	12,317,400 00							
1880								
Total	961,134,880 46	266,595,440 00	196,118,300 00	3,882,500 00	125,561,300 00	829,992,500 00	14,000,000 00	203,327,250 00

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

REDEMPTIONS.

Year.	Coin certificates.	Compound-interest notes.	Ten-forties of 1864.	Five-twenties of March, 1864.	Five-twenties of June, 1864.	Seven-thirties of 1864 and 1865.	Navy pension fund.	Five-twenties of 1865.
1863								
1864		$2,250,000 00						
1865		1,458,060 00						
1866	$87,711,520 00	73,928,159 00	$1,551,000 00			$16,152,450 00		
1867	101,156,480 00	66,570,511 00				325,194,325 00		
1868	79,029,040 00	94,232,670 00				450,948,250 00		
1869	65,255,620 00	25,361,480 00				36,391,300 00		
1870	75,270,120 00	701,150 00				670,800 00		
1871	71,237,820 00	1,324,910 00		$1,262,900 00	$39,595,050 00	177,500 00		$35,676,450 00
1872	51,029,500 00	174,980 00		270,100 00	13,120,100 00	120,650 00		8,151,150 00
1873	48,196,800 00	114,120 00		57,800 00	6,326,650 00	58,050 00		4,032,200 00
1874	97,752,680 46	64,190 00		1,345,100 00	8,473,300 00	45,650 00		2,933,100 00
1875	71,278,900 00	47,820 00	1,000 00			31,650 00		
1876	83,734,000 00	38,630 00		940,600 00	56,192,100 00	13,000 00		1,789,250 00
1877	45,250,000 00	32,130 00		6,000 00	1,644,150 00	19,250 00		115,464,350 00
1878	47,548,000 00	21,950 00			111,650 00	7,400 00		34,934,550 00
1879	41,270,700 00	15,590 00	56,141,150 00		26,500 00	9,600 00		200,550 00
1880	7,409,100 00	16,500 00	135,769,750 00		3,550 00	2,650 00		31,100 00
Unadjusted						*5,075 00		
Outstanding June 30, 1880	8,004,600 00	242,590 00	2,655,400 00		68,250 00	144,900 00	$14,000,000 00	114,550 00
Total	981,134,880 46	266,595,440 00	196,118,300 00	3,882,500 00	125,561,300 00	829,992,500 00	14,000,000 00	203,327,250 00

ISSUES.

Year.	Consols of 1865.	Consols of 1867.	Consols of 1868.	Three per cent. certificates.	Certificates of indebtedness of 1870.	Five per cent. loan of 1881.	Four-and-a-half per cent. loan of 1891.	Four per cent. loan of 1907.
1867	$304,153,800 00							
1868	28,775,150 00	$364,123,900 00	$120,000 00	$50,000,000 00				
1869	70,000 00	15,458,950 00	42,419,350 00	34,605,000 00				
1870		19,500 00		340,000 00				
1871		11,800 00		140,000 00	$678,362 41	$59,669,150 00		
1872		1,900 00		65,000 00		140,330,850 00		
1873		1,500 00		5,000 00				
1874		200 00				115,800,750 00		
1875						96,505,700 00		
1876						104,553,050 00		
1877						1,134,650 00	$140,000,000 00	
1878		250 00					100,000,000 00	$98,850,000 00
1879							10,000,000 00	568,179,900 00
1880								72,450,900 00
Total	332,998,950 00	379,618,000 00	42,539,350 00	85,155,000 00	678,362 41	517,994,150 00	250,000,000 00	739,480,800 00

REDEMPTIONS.

1869				$32,480,000 00				
1870				6,915,000 00				
1871	$90,415,800 00	$51,367,200 00	$3,120,400 00	13,805,000 00	$362 41			
1872	20,305,850 00	7,949,500 00	160,500 00	19,730,000 00				
1873	15,415,800 00	5,286,300 00	922,950 00	12,195,000 00				
1874	4,198,400 00	4,390,350 00	861,500 00	25,000 00				
1875		1,650 00						
1876			200 00		678,000 00			
1877	6,050 00	1,000 00				$9,553,800 00		
1878	91,830,750 00	5,700 00	8,500 00					
1879	109,225,400 00	269,391,900 00	17,361,750 00					
1880	988,500 00	38,894,250 00	19,351,250 00			23,575,450 00		$1,500,000 00
Outstanding June 30, 1880	612,400 00	2,330,150 00	752,300 00	5,000 00		484,864,900 00	$250,000,000 00	737,980,800 00
Total	332,998,950 00	379,618,000 00	42,539,350 00	85,155,000 00	678,362 41	517,994,150 00	250,000,000 00	739,480,800 00

*See "Notes to Recapitulation," 21, *post*.

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES.

Year.	Refunding certificates.	Certificates of deposit.	Silver certificates.	Six per cent., deferred, and three per cent. stocks of 1790.	Total.
1777					$181,500 00
1778					544,500 00
1779					181,500 00
1780					726,000 00
1781					1,866,566 40
1782					2,657,450 63
1783					1,673,000 00
1784					1,562,356 59
1785					73,432 19
1786					47,200 00
1787					129,200 00
1788					270,800 00
1789					571,608 81
1790					1,213,000 00
1791				$31,797,481 22	35,559,974 87
1792					5,332,101 91
1793				26,160,777 49	27,284,777 49
1794				5,096,678 04	9,696,678 04
1795				422,861 25	5,747,761 25
1796				188,066 35	508,066 35
1797				25,217 48	105,217 48
1798				12,885 13	242,885 13
1799				734,548 31	5,813,748 31
1800				7,621 93	1,860,521 93
1801				2,267 79	233,567 79
1802				4,816 79	4,816 79
1803				497 06	497 06
1804				847 68	11,250,847 68
1805				139 71	139 71
1806				93 09	93 09
1807				556 27	2,719,734 88
1808				29 07	5,434,752 28
1809				96 45	96 45
1810					2,750,000 00
1811					
1812				82 55	15,583,103 13
1813				204 84	29,053,583 48
1814					26,673,532 81
1815				3 36	37,970,657 71
1816					12,060,783 30
1817					8,092,316 38
1818				20 08	25,301 29
1819				304 68	59,681 30
1820				61 48	3,240,804 21
1821				26 01	4,740,132 55
1822				143 02	59,105 34
1823				132 39	2,546 01
1824					8,855,370 34
1825					5,609,925 90
1826				16 25	1,539,352 41
1827					
1828				1 75	1 75
1829					
1830				148 12	148 12
1831				228 64	228 64
1832				109 62	109 62
1833					
1834					
1835					
1836					
1837					2,992,989 15
1838					12,716,820 86
1839					3,857,276 21
1840					5,589,547 51
1841					13,659,317 38
1842					14,851,153 44
1843					12,479,708 36
1844					1,877,181 35
1845					

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES—Continued.

Year.	Refunding certificates.	Certificates of deposit.	Silver certificates.	Six per cent., deferred, and three per cent. stocks of 1790.	Total.
1846					
1847					$29,182,803 81
1848					21,405,794 56
1849					28,665,900 00
1850					4,045,950 00
1851					5,203,400 00
1852					46,300 00
1853					16,350 00
1854					1,950 00
1855					800 00
1856					200 00
1857					3,900 00
1858					23,717,300 00
1859					28,287,500 00
1860					20,776,800 00
1861					43,881,485 84
1862					489,523,045 99
1863					776,615,826 04
1864					1,128,924,141 64
1865					1,474,865,826 62
1866					722,499,122 30
1867					626,013,910 29
1868					599,271,268 45
1869					262,275,635 09
1870					285,474,496 00
1871					268,768,523 47
1872					305,047,054 00
1873		$57,160,000 00			214,931,017 00
1874		80,515,000 00			439,272,535 46
1875		80,695,000 00			387,971,556 00
1876		82,730,000 00			397,455,808 00
1877		77,155,000 00			348,871,749 00
1878		86,650,000 00	$1,462,600 00		404,581,201 00
1879	$39,398,110 00	89,340,000 00	9,464,400 00		792,807,643 00
1880	614,640 00	47,355,000 00	10,091,000 00		211,814,103 00
Total	40,012,750 00	601,600,000 00	21,018,000 00	$64,456,963 90	10,690,0 5,968 32

REDEMPTIONS.

1778					$2,621 24
1779					25,189 87
1789					100,540 00
1790					146,068 81
1791				$740,227,65	1,284,797 65
1792				805,230 24	2,785,030 18
1793				473,736 43	2,760,037 49
1794				245,828 25	2,403,276 88
1795				989,212 86	5,479,762 58
1796				646,109 52	2,465,482 27
1797				647,882 24	2,329,282 24
1798				683,547 60	989,087 15
1799				1,406,634 52	1,766,634 52
1800				794,798 36	1,394,798 36
1801				1,100,579 12	2,302,079 12
1802				1,132,691 05	3,615,085 97
1803				1,220,991 31	4,721,418 70
1804				1,293,698 19	3,219,898 19
1805				1,436,469 14	4,002,378 77
1806				1,521,472 04	2,972,272 04
1807				4,502,113 54	7,611,021 16
1808				7,372,687 95	8,866,267 95
1809				1,305,382 28	7,451,540 63
1810				1,412,202 90	2,758,659 86
1811				1,499,154 10	8,313,372 10
1812				4,071,575 04	5,659,775 0[illegible]
1813				1,759,171 98	4,047,851 32
1814				1,475,592 34	7,574,628 39
1815				1,566,123 16	6,112,961 22
1816				1,662,124 18	12,722,937 08
1817				4,392,522 20	30,787,536 90

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

ISSUES.

Year.	Refunding certificates.	Certificates of deposit.	Silver certificates.	Six per cent., deferred, and three per cent. stocks of 1790.	Total.
1777					$181, 500 00
1778					544, 500 00
1779					181, 500 00
1780					726, 000 00
1781					1, 866, 566 40
1782					2, 657, 450 63
1783					1, 673, 000 00
1784					1, 562, 356 59
1785					73, 432 19
1786					47, 200 00
1787					129, 200 00
1788					270, 800 00
1789					571, 608 81
1790					1, 213, 000 00
1791				$31, 797, 481 22	35, 559, 974 87
1792					5, 332, 101 91
1793				26, 160, 777 49	27, 284, 777 49
1794				5, 096, 678 04	9, 696, 678 04
1795				422, 861 25	5, 747, 761 25
1796				188, 066 35	508, 066 35
1797				25, 217 48	105, 217 48
1798				12, 885 13	242, 885 13
1799				734, 548 31	5, 813, 748 31
1800				7, 621 93	1, 860, 521 93
1801				2, 267 79	233, 567 79
1802				4, 816 79	4, 816 79
1803				497 06	497 06
1804				847 68	11, 250, 847 68
1805				139 71	139 71
1806				93 09	93 09
1807				556 27	2, 719, 734 88
1808				29 07	5, 434, 752 28
1809				96 45	96 45
1810					2, 750, 000 00
1811					
1812				82 55	15, 583, 103 13
1813				204 84	29, 053, 583 48
1814					26, 673, 532 81
1815				3 36	37, 970, 657 71
1816					12, 060, 783 30
1817					8, 092, 316 38
1818				20 08	25, 301 29
1819				304 68	59, 681 30
1820				61 48	3, 240, 804 21
1821				26 01	4, 740, 132 55
1822				143 02	59, 105 34
1823				132 39	2, 546 01
1824					8, 855, 370 34
1825					5, 609, 925 90
1826				16 25	1, 539, 352 41
1827					
1828				1 75	1 75
1829					
1830				148 12	148 12
1831				228 64	228 64
1832				109 62	109 62
1833					
1834					
1835					
1836					
1837					2, 992, 989 15
1838					12, 716, 820 86
1839					3, 857, 276 21
1840					5, 589, 547 51
1841					13, 659, 317 38
42					14, 851, 153 44
					12, 479, 708 36
					1, 877, 181 35

RECAPITULATION—Continued.

SUMMARY.

Issues	$10,690,055,968 32
Redemptions	8,569,664,230 85
	2,120,391,737 47
Unadjusted, over	92,815 46
	2,120,484,552 93
Unadjusted, short	69,182 30
Outstanding June 30, 1880	2,120,415,370 63

NOTES TO RECAPITULATION.

		Title of loans and remarks.	Apparent short redemption.	Apparent over redemption.
Note	1.	Eight per cent. loan of 1800. $1,000 of this loan was fraudulently issued, and afterwards redeemed as genuine. (See remarks on this loan, Part 1)		$1,000 00
	2.	Treasury notes of 1812*	$100 00	
	3.	Treasury notes of 1813*	900 00	
	4.	Seven-and-a-half million loan of 1813*		21 69
	5.	Treasury notes of March, 1814*	43,160 00	
	6.	Treasury notes of December, 1814*		41,030 00
	7.	Treasury notes of 1815*		600 00
	8.	Small Treasury notes of 1815*	2,061 00	
	9.	Six per cent. loan of 1815*		1,523 73
	10.	Five per cent. loan of 1821. This excess of 4 cents was evidently a clerical error in the accounts of the New York loan office		04
	11.	Exchanged four-and-a-half per cent. stock of 1824. This shortage of 1 cent was evidently a clerical error in the accounts of the Pennsylvania loan office	01	
	12.	Treasury notes prior to 1846*	13,586 29	
	13.	Treasury notes of 1846*	1,000 00	
	14.	Treasury notes of 1847*		350 00
	15.	Treasury notes of 1857*	1,900 00	
	16.	Treasury notes of 1861*	1,400 00	
	17.	Seven-thirties of 1861*		48,150 00
	18.	Fractional currency. $8,375,934 estimated as lost or destroyed, act of June 21, 1879 (21 Statutes 30, Section 3)		
	19.	One-year notes of 1863*		40 00
	20.	Two-year notes of 1863*		100 00
	21.	Seven-thirties of 1864 and 1865*	5,075 00	
	22.	Six per cent. stock of 1790*†		
	23.	Deferred six per cent. stock of 1790*†		
	24.	Three per cent. stock of 1790*		
		Amount short	69,182 30	
		Amount over		92,815 46

(A.) *In order to locate correctly the above discrepancies, and fully complete an exact account of the redemption of each loan, it has been found necessary to closely examine the books and nearly all of the statements containing the accounts of loan transactions from 1814 to the present time. This labor has not yet been completed. A clear understanding may be had of these differences, however, from the statements of "issues and redemptions" of each loan, the variations being there stated as "unadjusted," awaiting the completion of the examination now in progress. The requisite changes have already been made, so far as they have been proved to be correct, as will be seen from the notes following each loan.

(B.) †The redemption of these two loans, subsequent to the year 1836, is included in the "Receipts and Expenditures" under the head of interest and reimbursement of the (old) funded debt.

(C.) The amount stated as redeemed on account of the 6 per cent. stock of 1790, in 1818, and on account of the deferred 6 per cent. stock, in 1834, is estimated, and may vary slightly when finally adjusted with the earlier loans.

RECAPITULATION, SHOWING THE PRINCIPAL OF THE PUBLIC DEBT, &c.—Continued.

REDEMPTIONS—Continued.

Year.	Refunding certificates.	Certificates of deposit.	Silver certificates.	Six per cent., deferred, and three per cent. stocks of 1790.	Total.
1818				$1,546,738 56	$7,947,744 92
1819				864,776 16	8,405 138 23
1820				503,182 25	3,756,824 17
1821				533,808 47	3,313,613 07
1822				566,971 83	2,732,906 57
1823				601,558 97	613,249 04
1824				343,603 05	8,462,881 67
1825					14,658,757 22
1826					7,000,404 42
1827					7,163,952 85
1828					5,961,349 33
1829					11,073,278 44
1830					12,422,713 29
1831					10,654,856 93
1832				13,296,735 83	19,290,382 27
1833					3,283,896 77
1834					2,424,253 11
1835					*3,904,004 41
1836*				(*)	(*)
1837				21,096 29	21,531 29
1838				215 27	5,588,721 98
1839				229 90	10,714,512 03
1840				915 20	3,909,948 22
1841				893 83	5,310,148 08
1842				7 48	7,796,982 32
1843				113 34	333,011 98
1844				1,497 35	11,113,870 31
1845				6,976 32	7,510,554 62
1846				5,871 58	344,403 55
1847				1,075 19	5,562,672 26
1848				318 06	13,027,446 06
1849				38 51	12,566,238 51
1850				277 98	3,653,227 98
1851				1,091 72	858,396 55
1852				82 72	2,149,328 91
1853				1,239 95	6,426,823 05
1854				21 54	17,572,516 30
1855					6,662,790 96
1856				190 63	3,614,679 83
1857					3,276,102 84
1858					7,505,345 82
1859				78 46	14,685,128 46
1860					13,853,750 00
1861					18,737,000 00
1862					51,722,267 53
1863					181,081,376 84
1864					432,838,013 76
1865					603,437,452 30
1866					619,804,695 89
1867					735,536,980 11
1868					692,547,685 88
1869					253,224,718 31
1870					284,204,132 13
1871					517,240,467 83
1872					405,007,307 54
1873		$25,430,000 00			233,699,352 58
1874		53,485,000 00			422,065,060 23
1875		81,040,000 00			407,377,492 48
1876		108,305,000 00			449,345,272 80
1877		55,035,000 00			323,965,424 05
1878		94,855,000 00			353,676,944 90
1879	$26,549,900 00	105,725,000 00	$8,460,050 00		699,445,809 16
1880	12,095,850 00	63,260,000 00	183,680 00		440,966,214 41
Unadjusted, over $92,815 46				64,401,206 10	8,569,664,230 85
Unadjusted, short 69,182 30					
Difference in excess					23,633 16
					8,569,640,597 69
Aug June 30, 1880	1,367,000 00	14,465,000 00	12,374,270 00	55,757 80	2,120,415,370 63
	40,012,750 00	601,600,000 00	21,018,000 00	64,456,963 90	10,690,055,968 32

*The sum of $56,159 53, repayments on account of 3 per cent. stock, in 1836, has been deducted from the total amount of advances

RECAPITULATION BY LOANS—Continued.

Title of loans.	Issues.	Redemptions.	Outstanding June 30, 1880.	Short in redemptions.	Excess of redemptions.
Exchanged 4½ per cent. stock of 1824	$4,454,727 95	$4,454,727 94		$0 01	
Four-and-a-half per cent. loan of May 26, 1824	5,000,000 00	5,000,000 00			
Exchanged 4½ per cent. stock of 1825	1,539,336 16	1,539,336 16			
Treasury notes prior to 1846	47,002,900 00	46,906,788 36	$82,525 35	13,586 29	
Loan of 1841	5,672,976 88	5,672,976 88			
Loan of 1842	8,343,886 03	8,343,886 03			
Loan of 1843	7,004,231 35	7,004,231 35			
Treasury notes of 1846	7,687,800 00	7,680,800 00	6,000 00	1,000 00	
Loan of 1846	4,999,149 45	4,999,149 45			
Mexican indemnity stock	303,573 92	302,469 01	1,104 91		
Treasury notes of 1847	26,122,100 00	26,121,500 00	950 00		$350 00
Loan of 1847	28,230,350 00	28,229,100 00	1,250 00		
Bounty land scrip	233,075 00	229,800 00	3,275 00		
Loan of 1848	16,000,000 00	16,000,000 00			
Texan indemnity stock	5,000,000 00	4,979,000 00	21,000 00		
Treasury notes of 1857	52,778,900 00	52,775,300 00	1,700 00	1,900 00	
Loan of 1858	20,000,000 00	19,992,000 00	8,000 00		
Loan of 1860	7,022,000 00	7,012,000 00	10,000 00		
Treasury notes of 1860	10,010,900 00	10,010,900 00			
Loan of February, 1861	18,415,000 00	2,837,000 00	15,578,000 00		
Treasury notes of 1861	35,364,450 00	35,360,050 00	3,000 00	1,400 00	
Oregon war debt	1,090,850 00	348,400 00	742,450 00		
Loan of July and August, 1861	189,321,350 00	32,064,250 00	157,257,100 00		
Old demand notes	60,030,000 00	59,969,025 00	60,975 00		
Seven-thirties of 1861	139,999,750 00	140,031,300 00	16,600 00		48,150 00
Five-twenties of 1862	514,771,600 00	514,378,200 00	393,400 00		
Legal-tender notes	1,640,559,947 00	1,293,878,931 00	346,681,016 00		
Temporary loan	716,099,247 16	716,096,287 16	2,960 00		
Certificates of indebtedness	561,753,241 65	561,749,241 65	4,000 00		
Fractional currency	368,720,079 51	361,505,125 14	7,214,954 37		
Loan of 1863	75,000,000 00	12,797,150 00	62,202,850 00		
One-year notes of 1863	44,520,000 00	44,473,505 00	46,535 00		40 00
Two-year notes of 1863	166,480,000 00	166,444,150 00	35,950 00		100 00
Coin certificates	981,134,880 46	973,130,280 46	8,004,600 00		
Compound-interest notes	266,565,440 00	266,352,850 00	242,590 00		
Ten-forties of 1864	196,118,300 00	193,462,900 00	2,655,400 00		
Five-twenties of March, 1864	3,882,500 00	3,882,500 00			
Five-twenties of June, 1864	125,561,300 00	125,493,050 00	68,250 00		
Seven-thirties of 1864 and 1865	829,992,500 00	829,842,525 00	144,900 00	5,075 00	
Navy-pension fund	14,000,000 00		14,000,000 00		
Five-twenties of 1865	203,327,250 00	203,212,700 00	114,550 00		
Consols of 1865	332,998,950 00	332,386,550 00	612,400 00		
Consols of 1867	379,618,000 00	377,287,850 00	2,330,150 00		
Consols of 1868	42,539,350 00	41,787,050 00	752,300 00		
Three per cent. certificates	85,155,000 00	85,150,000 00	5,000 00		
Certificates of indebtedness of 1870	678,362 41	678,362 41			
Five per cent. loan of 1881	517,994,150 00	33,129,250 00	484,864,900 00		
Certificates of deposit	601,600,000 00	587,135,000 00	14,465,000 00		
Four-and-a-half per cent. loan of 1891	250,000,000 00		250,000,000 00		
Four per cent. loan of 1907	739,480,800 00	1,500,000 00	737,980,800 00		
Refunding certificates	40,012,750 00	38,645,750 00	1,367,000 00		
Silver certificates	21,018,000 00	8,643,730 00	12,374,270 00		
Six per cent. stock of 1790	30,088,397 75	30,060,527 98	27,869 77		
Deferred 6 per cent. stock of 1790	14,649,328 76	14,635,393 86	13,934 90		
Three per cent. stock	19,719,237 39	19,705,284 26	13,953 13		
	10,690,055,968 32	8,569,664,230 85	2,120,415,370 63	69,182 30	92,815 46

SUMMARY.

Issues		$10,690,055,968 32
Redemptions		8,569,664,230 85
		2,120,391,737 47
Unadjusted, over		92,815 46
		2,120,484,552 93
Unadjusted, short		69,182 30
		2,120,415,370 63

STATEMENT OF THE PRINCIPAL OF THE PUBLIC DEBT OF THE UNITED STATES OUTSTANDING JUNE 30, 1880.

INTEREST-BEARING DEBT.

Title of loan.	Authorizing act.	Rate.	When redeemable.	When payable.	Interest payable.	Total amount outstanding.
		Per cent.				
Loan of February, 1861	February 8, 1861	6		Dec. 31, 1880	January and July	$15,578,000 00
Oregon war debt	March 2, 1861	6		July 1, 1881	do	742,450 00
Loan of July and Aug., 1861	July 17 and August 5, 1861	6	June 30, 1881		do	157,257,100 00
Loan of 1863 ('81's)	March 3, 1863	6	June 30, 1881		do	62,202,850 00
Funded loan of 1881	July 14, '70, and Jan. 20, '71	5	May 1, 1881		F. M. A. and N	484,864,900 00
Funded loan of 1891	do	4½	Sept. 1, 1891		M. J. S. and D	250,000,000 00
Funded loan of 1907	do	4	July 1, 1907		J. A. J. and O	737,980,800 00
Refunding certificates	February 26, 1879	4				1,367,000 00
Navy-pension fund	July 23, 1868	3				14,000,000 00
Aggregate of interest-bearing debt						1,723,993,100 00

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Old debt	Various, prior to 1837	4 to 6	Matured at various dates prior to January 1, 1837	$57,665 00
Mexican indemnity stock	August 10, 1846	5	Matured at various dates in 1851 and 1852	1,104 91
Loan of 1847	January 28, 1847	6	Matured December 31, 1867	1,250 00
Bounty-land scrip	February 11, 1847	6	Matured July 1, 1849	3,275 00
Texan indemnity stock	September 9, 1850	5	Matured December 31, 1864	21,000 00
Loan of 1858	June 14, 1858	5	Matured after January 1, 1874	8,000 00
Loan of 1860	June 22, 1860	5	Matured January 1, 1871	10,000 00
5-20's of 1862 (called)	February 25, 1862	6	Matured December 1, 1871, and at subsequent dates	393,400 00
5-20's of June, 1864 (called)	June 30, 1864	6	Matured November 13, 1875, and at subsequent dates	68,250 00
5-20's of 1865 (called)	March 3, 1865	6	Matured February 15, 1876, and at subsequent dates	114,550 00
Ten-forties of 1864 (called)	March 3, 1864	5	Matured July 9, 1879, and at subsequent dates	2,655,400 00
Consols of 1865 (called)	March 3, 1865	6	Matured August 21, 1877, and at subsequent dates	612,400 00
Consols of 1867 (called)	do	6	Matured April 1, 1879, and at subsequent dates	2,330,150 00
Consols of 1868 (called)	do	6	Matured July 4, 1879	752,300 00
Treasury notes prior to 1846	Various, prior to 1846	1-10 to 6	Matured at various dates from 1838 to 1844	82,525 35
Treasury notes of 1846	July 22, 1846	1-10 to 6	Matured at various dates in 1847 and 1848	6,000 00
Treasury notes of 1847	January 28, 1847	6	Matured at various dates in 1848 and 1849	950 00
Treasury notes of 1857	December 23, 1857	3 to 6	Matured at various dates in 1858 and 1859	1,700 00
Treasury notes of 1861	March 2, 1861	6	Matured March 1, 1863	3,000 00
Seven-thirties of 1861	July 17, 1861	7 3-10	Matured August 19 and October 1, 1864	16,600 00
One-year notes of 1863	March 3, 1863	5	Matured at various dates in 1865	46,535 00
Two-year notes of 1863	do	5	Matured at various dates in 1866	35,950 00
Compound-interest notes	March 3, 1863; June 30, 1864	6	Matured June 10, 1867, and May 15, 1868	242,590 00
Seven-thirties of 1864–'65	June 30, 1864; March 3, 1865	7 3-10	Matured August 15, 1867, and June 15 and July 15, 1868	144,900 00
Certificates of indebtedness	Mar. 1, 17, 1862; Mar. 3, 1863	6	Matured at various dates in 1866	4,000 00
Temporary loan	June 30, 1864	4 to 6	Matured October 15, 1866	2,960 00
3 per cent. certificates (called)	March 2, 1867; July 25, 1868	3	Matured February 28, 1873	5,000 00
Aggregate of debt on which interest has ceased since maturity				7,621,455 26

DEBT BEARING NO INTEREST.

Old demand notes	July 17, 1861; February 12, 1862		$60,975 00
Legal-tender notes	February 25, 1862; July 11, 1862; March 3, 1863		346,681,016 00
Certificates of deposit	June 8, 1872		14,465,000 00
Gold certificates	March 3, 1863		8,004,600 00
Silver certificates	February 28, 1878		12,374,270 00
Fractional currency	July 17, 1862; March 3, 1863; June 30, 1864	$15,590,868 37	
Less amount estimated as lost or destroyed, act of June 21, 1879		8,375,984 00	
			7,214,954 37
Aggregate of debt bearing no interest			388,800,815 37

STATEMENT OF THE PRINCIPAL OF THE PUBLIC DEBT OF THE UNITED STATES OUTSTANDING JUNE 30, 1880—Continued.

RECAPITULATION.

			Principal.
INTEREST-BEARING DEBT	Bonds at 6 per cent	$235,780,400 00	
	Bonds at 5 per cent	484,864,900 00	
	Bonds at 4½ per cent	250,000,000 00	
	Bonds at 4 per cent	737,980,800 00	
	Refunding certificates	1,367,000 00	
	Navy-pension fund	14,000,000 00	
			$1,723,993,100 00
DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY			7,621,455 26
DEBT BEARING NO INTEREST	Old demand and legal-tender notes	346,741,991 00	
	Certificates of deposit	14,465,000 00	
	Gold and silver certificates	20,378,870 00	
	Fractional currency	7,214,954 37	
			388,800,815 37
TOTAL PRINCIPAL OF THE DEBT			2,120,415,370 63

Current liabilities.		Available assets.	
Interest due and unpaid	$2,368,395 72	Cash in the Treasury	$201,088,622 88
Debt on which interest has ceased	7,621,455 26		
Interest thereon	814,444 01		
Gold and silver certificates	20,378,870 00		
United States notes held for redemption of certificates of deposit	14,465,000 00		
Cash balance available July 1, 1880	155,440,457 89		
	201,088,622 88		201,088,622 88

INDEX.

Page.

A.

Adams, John—
- Election as Vice-President ... 22
- Instructions to borrow money ... 13
- Letters from ... 15–18, 20
- Transactions with Holland ... 13, 15

Antwerp—
- Loan of 1791 ... 24, 105

Assumed debt—
- Of the several states, amount of ... 33

B.

Bank of New York—
- Temporary loans from ... 29, 37, 40, 113, 117
- Transactions with ... 22

Bank of North America—
- Temporary loans from ... 29, 36, 112
- Transactions with ... 22

Bank of the United States—
- First charter authorized ... 35
- Profits of ... 61
- Second charter authorized ... 60
- Subscription loan for stock in ... 35
- Temporary loans from ... 35–40

Beaumarchais, C. de—
- Account of ... 9
- Receipts of ... 6, 8
- Transactions of ... 5–10, 28

Bounty—
- Land scrip ... 72, 146

Boutwell, George S.—
- Remarks of ... 93

Buchot, M.—
- Letter from ... 7
- Letter to ... 6

C.

Certificates—
- Coin ... 82, 162
- Of deposit ... 97, 172
- Of indebtedness ... 81, 158
- Of indebtedness of 1870 ... 92, 170
- Refunding ... 96, 172
- Silver ... 97, 173
- Three per cent ... 91, 169

Chase, Salmon P.—
- Letter from ... 82
- Remarks of ... 80

Coin—
- Certificates ... 82, 162

Commissioners—
- Of loans, duties of ... 33
- Of sinking fund authorized ... 33

Committee—
- Of the House of Representatives, reports of ... 42, 62, 92

Compound interest—
- Notes ... 82, 163

Consols—
- Four per cent., text of bond of ... 95
- Of 1865 ... 89, 167
- Of 1867 ... 89, 168
- Of 1868 ... 89, 169

Continental Congress—
- First loan made by ... 10
- Payment to foreign officers ordered by ... 28
- Resolutions of ... 13, 14

Continental currency—
- Statement of Jefferson relative to ... 31

Contract—
- For Antwerp loan, copy of ... 24
- For Holland loan of 1784 ... 18
- For tobacco with farmers-general ... 11
- With France for loans ... 13

Converted stock—
- Six per cent., of 1807 ... 46, 121

Currency—
- Fractional ... 82, 159

D.

Dallas, George M.—
- Estimate of the cost of the war of 1812 ... 58

Deane, Silas—
- Instructions to ... 5
- Letters from ... 6
- Transactions of ... 10, 11

Debt—
- Due foreign officers ... 28
- Of the several states assumed ... 33
- Oregon war ... 77, 152
- Outstanding March 1, 1871, bearing interest ... 94
- Refunded since March 1, 1871, amount of ... 96

Demand notes—
- Old ... 78, 153

Deposit—
- Certificates of ... 97, 172

DeWolf & Co., C. J. M.—
- Contract with ... 24
- Transactions with, as American agents ... 24

Direct tax—
- Loan of 1815 ... 56, 131
- Remarks on ... 56

Dix, John A.—
- Letter from ... 76

Durival, M.—
- Letter to ... 7

P.

Page.

Parchment—
Certificates to foreign officers printed on 28
Principal—
Of the public debt outstanding June 30, 1880 ..... 191, 192
Public buildings—
In Washington, destruction of 56
Public debt—
Amount of, July 1, 1857–1859 76
Outstanding principal, June 30, 1880 ..... 191, 192
Statement for January 1, 1790 31

R.

Randolph, John—
Remarks of 46, 49
Recapitulation—
By loans 189, 190
By years 174–187
Notes to 188
Of debt outstanding June 30, 1880 192
Refunding—
Certificates 96, 172
Resolutions—
Of Continental Congress 13
Of the House of Representatives 30, 37
Roderigue, Hortales & Co.—
Transactions with 6

S.

Seven-thirties—
Copy of note 87
Of 1861 ..... 78, 154
Of 1864 and 1865 ..... 85, 165
Silver—
Certificates 97, 173
Sinking fund—
Commissioners authorized 33
Short, William—
Instructions to 23, 24, 26
Loans with Holland negotiated by 23, 24
Spain—
Loan from, in 1781 ..... 12, 100
Subsidy from 6, 10
Statement—
Of principal of public debt outstanding June 30, 1880. 191, 192
Of seven-thirties issued by series 87
Stock—
Converted 6 per cent., of 1807 ..... 46, 121
Deferred 6 per cent., of 1790 ..... 30, 109
Five-and-one-half per cent., of 1795 ..... 40, 116
Four-and-one-half per cent., of 1795 ..... 40, 117
Exchanged 6 per cent., of 1807 ..... 46, 121
Exchanged 6 per cent., of 1812 ..... 49, 124
Exchanged 5 per cent., of 1822 ..... 63, 138
Exchanged 4½ per cent., of 1824 ..... 64. 139
Exchanged 4½ per cent., of 1825 ..... 66, 140
Louisiana 6 per cent 45, 120
Mexican indemnity 71, 144
Mississippi 53, 129
Navy 6 per cent 42, 118
Outstanding June 30, 1803 34
Six per cent., of 1790 ..... 30, 109
Texan indemnity 73, 148
Three per cent., of 1790 ..... 30, 109
Treasury-note, 1815 ..... 58, 134
Subscription loan—
Of 1791 ..... 35, 112
Subsidy—
From France 5, 10
From Spain 6, 10
Summary—
Of totals—issues and redemptions 188, 190
Supplies—
Due France, balance of 14
Surplus revenue—
Amount deposited with the states 67

T.

Temporary loan—
From Bank of New York 29, 30, 37, 40, 113, 117
From Bank of North America 29, 36, 112
From Joseph Howell 29
Of 1789 ..... 28, 108
Of 1790 ..... 30, 108
Of 1792 ..... 36, 112
Of 1793 ..... 37, 113
Of March, 1794 ..... 38, 114
Of June, 1794 ..... 38, 114
Of December, 1794 ..... 38, 114
Of February, 1795 ..... 39, 115
Of March, 1795 (A) 39, 115
Of March, 1795 (B) 39, 116
Of March, 1795 (C) 39, 116
Of 1798 ..... 40, 118
Of 1812 ..... 48, 123
Of 1814 ..... 55, 130
Of February, 1815 ..... 56, 131
Of March, 1815 ..... 58, 135
Ten-forties—
Of 1864 ..... 84, 164
Texan indemnity—
Stock 73, 148
Three per cent.—
Certificates 91, 169
Tobacco—
Contract for 11
Tompkins, Charles—
Fraud of 44
Treasury Department—
Created by act of Congress 22
Treasury notes—
Of 1812 ..... 48, 123
Of 1813 ..... 50, 125
Of March, 1814 ..... 51, 126
Of December, 1814 ..... 55, 130
Of 1815 ..... 58, 133
Of 1815, small 58, 134
Of 1838 67
Of 1839 68
Of 1840 68
Of 1841 68
Of January, 1842 69
Of August, 1842 70
Of 1843 70
Of 1846 ..... 70, 143
Of 1847 ..... 72, 145
Of 1857 ..... 74, 148
Of 1860 ..... 75, 150
Of 1861 ..... 76, 151
Prior to 1846 140
Treasury-note stock—
Of 1815 ..... 58, 134
Two-year notes—
Of 1863 ..... 82, 161

V.

Van Staphorst and Willinks—
Letter from 20
Letters to 26, 27
Transactions with 17, 18, 23, 26, 27
Vergennes, C. de.—
Contract signed by 13
Letter from 6
Transactions with 5–10

Page.

Voltaire—
Works of 10

W.

Walker, Francis A.—
Letter to 3
War debt—
Oregon 77, 152
Washington—
Destruction of public buildings in 56
Washington, General—
Approval of temporary loan 30
Election as President 22
Letter from 12
Salary paid to 22
Williams, Otho H.—
Letter to 29
Willinks and Van Staphorst—
Letters from 20
Letters to 26, 27
Transactions with 17, 18, 23, 26, 27
Windom, William—
Letter from 3
Letter to 3
Wolcott, Oliver, jr.—
Remarks of 39, 40

Y.

Yazoo—
Frauds 53

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